

Project Report on

"The Impact of Digital Wallets on Spending Habits: Analyzing the Influence of Rewards"

Submitted By:

Viraj Mathur (102115252)

Priyansha Mahajan (102115264)

Srishti Bhardwaj (102295005)

Under the Guidance of

Ms. Rishita Goyal



THAPAR INSTITUTE
OF ENGINEERING & TECHNOLOGY
(Deemed to be University)

School of Humanities and Social Sciences

Thapar Institute of Engineering and Technology

(April 30, 2024)

TABLE OF CONTENTS

COPYRIGHT NOTICE.....	3
LETTER OF TRANSMITTAL.....	4
CERTIFICATE.....	5
ACKNOWLEDGEMENT.....	6
EXECUTIVE SUMMARY.....	7
INTRODUCTION.....	8
LITERATURE REVIEW.....	10
OBJECTIVES OF THE STUDY.....	14
RESEARCH METHODOLOGY.....	14
DATA SOURCES.....	15
Primary Data.....	18
Secondary Data.....	18
Data Collection Method.....	18
RESEARCH TOOL.....	15
SAMPLING.....	15
DATA ANALYSIS AND INTERPRETATION.....	16
KEY FINDINGS.....	23
CONCLUSION.....	30
LIMITATIONS OF THE STUDY.....	31

APPENDIX.....32

REFERENCES..... 37

COPYRIGHT NOTICE

©Copyright 2024 by Thapar Institute of Engineering & Technology. All rights reserved. This material may not be duplicated for any profit-driven approach.

The reports contained in these Internet-accessible directories are included by the contributing authors as a mechanism to ensure timely dissemination of scholarly and technical information on a non- commercial basis. Copyright and all rights therein are maintained by the authors, despite their having offered this information electronically. Everyone copying this information must adhere to the terms and constraints invoked by each author's copyright.

Reports may not be copied for commercial redistribution, republication, or dissemination without the explicit permission of the School of School of Humanities & Social Sciences at Thapar Institute of Engineering & Technology, Patiala and the authors.

LETTER OF TRANSMITTAL

Date: April 30th, 2024

Respected Ma'am,

This is to inform you that we are submitting our report entitled “The Impact of Digital Wallets on Spending Habits: Analyzing the Influence of Rewards” as partial fulfillment of the Professional Communication Course (UHU003) requirement.

This report oversees the study of usage of digital wallets by people. In addition, the following report also highlights the main reasons that influence an individual to use them. Further, interacting with people, interrogating them, and conclusively knowing their thoughts and propositions.

Through this report and survey conducted, we intended to bring into the limelight, people's perspectives on both reasons for using digital wallets and the security concerns. Considering that digital wallets nowadays play a crucial role in one's life, we conducted this survey and published our findings in this report.

Most Sincerely

Viraj Mathur (102115252)

Priyansha Mahajan (102115264)

Srishti Bhardwaj (102295005)

CERTIFICATE

This is to certify that the project report on ‘**The Impact of Digital Wallets on Spending Habits: Analyzing the Influence of Rewards**’ is a bonafide project work done originally by **Viraj Mathur (102115252)**, **Priyansha Mahajan (102115264)** and **Srishti Bhardwaj (102295005)** in fulfillment of the project work given by the School of Humanities and Social Sciences, Thapar Institute of Engineering and Technology during the year 2024.

Ms Rishita Goyal

Date: April 2024

Place: Patiala

ACKNOWLEDGEMENT

At the outset, we would like to articulate this project on the topic “The Impact of Digital Wallets on Spending Habits: Analyzing the Influence of Rewards” as a small journey that was a remarkable learning experience. The successful completion of this project is only because of the extraordinary support, guidance, counseling and motivation from our respected teachers at the Thapar Institute of Engineering and Technology. This journey was also incomplete without the support of our family and friends.

We firstly express our heartfelt thankfulness to our professor **Ms Rishita Goyal** in this project who made us feel her presence during all those crucial and decision-making moments this project went through. The deep insights into the subject given to us by her are believed to be the root cause of completing this project qualitatively and timely. Also, through the support provided by her, we have acquired knowledge on the avenues that this project has explored. Her direction in making us think about unique conceptual and practical aspects of practicing reparability among mobile users lifted this project to this stage of successful completion. We extend our gratitude to all our friends for their encouragement and support.

EXECUTIVE SUMMARY

In today's digital landscape, the rise of digital wallets and their enticing rewards programs has sparked a lot of curiosity about how they impact our spending habits. This report investigates the relationship between the presence of digital wallet rewards, such as cashback, coupons, and free shipping, and individuals' spending habits.

Specifically, it explores whether these rewards incentivize consumers to spend more money than they typically would, potentially leading to impulsive and unnecessary purchases.

The report examines various perspectives on this issue, including concerns about the ethical implications of using rewards to manipulate spending. Through extensive research and analysis, it aims to shed light on the following key questions:

1. Do digital wallet rewards significantly influence consumer spending patterns?
2. If so, what types of rewards (e.g., cashback, coupons, free shipping) have the most substantial impact?
3. Are there certain demographic groups or spending categories that are particularly susceptible to the influence of these rewards?
4. What are the potential consequences, both positive and negative, of this phenomenon?

By analyzing data from consumer surveys, case studies, and industry reports, the report provides insights into the intricate relationship between digital wallet rewards and spending habits.

It evaluates the extent to which these rewards shape consumer decision-making and explores the psychological and behavioral factors that may contribute to their influence.

Ultimately, the report aims to inform policymakers, consumer advocates, and the general public about the potential implications of digital wallet rewards on personal finance and consumer protection.

It also offers recommendations for responsible practices and consumer education to mitigate any adverse effects while preserving the benefits of these rewards programs.

INTRODUCTION

The seamless integration of technology into our daily lives has ushered in a new era of convenience, particularly in the realm of financial transactions. **Digital wallets**, once a novelty, have now become ubiquitous, revolutionizing the way we make payments and manage our finances. India has witnessed a remarkable surge in digital payments, with the transaction value expected to reach ₹7,092,624 crore by 2025, exhibiting a **compound annual growth rate (CAGR)** of 19.24% between 2023 and 2027. (Source: **IndiaRetailing.com**) However, as with any disruptive innovation, these digital payment platforms have also raised concerns about their potential influence on consumer behavior, specifically their impact on spending habits.

At the heart of this inquiry lies the allure of rewards – the tantalizing **incentives** offered by digital wallets in the form of cashback, coupons, and free shipping, among others. These rewards are carefully crafted to entice users, leveraging psychological principles that tap into our innate desire for perceived value and gratification.

However, the question arises: **Do these rewards merely enhance the user experience, or do they subtly manipulate our spending patterns, nudging us towards impulsive and unnecessary purchases?**

The influence of rewards on consumer behavior is not a novel concept. Loyalty programs and promotional offers have long been employed by businesses to foster customer retention and drive sales. Yet, the ubiquity and convenience of digital wallets have amplified the potential impact of these rewards, making them readily accessible at our fingertips, seamlessly integrated into our daily transactions.

Proponents of digital wallet rewards argue that they empower consumers by providing tangible value and incentivizing smart spending decisions. Cashback rewards, for instance, can be viewed as a means of recouping a portion of one's expenditures, potentially encouraging more mindful purchases. Coupons and discounts, on the other hand, may enable consumers to access goods and services they might have otherwise forgotten due to budgetary constraints.

However, critics contend that these rewards can create a **psychological trap**, exploiting our cognitive biases and diminishing our ability to make rational financial choices. The lure of earning rewards or redeeming coupons may encourage us to spend more than we initially intended, prioritizing the pursuit of short-term gratification over long-term financial prudence. Furthermore, the seamless integration of these rewards into our digital wallets can create a sense of **detachment** from the actual cost, potentially leading to a disconnection between our spending and the tangible **value** of our purchases.

As digital wallets continue to gain prominence and their reward programs become increasingly sophisticated, it is crucial to explore the extent of their influence on consumer spending habits.

This Report delves into the intricate relationship between digital wallet rewards and individual financial decision-making, drawing upon extensive research and empirical data, including a **survey conducted among more than 150 digital wallet users in India**.

The primary basis for this report is a comprehensive survey of 150+ participants, aimed at uncovering **the motivations, perceptions, and behaviors** that govern their spending decisions in the context of digital wallet rewards. Additionally, the report incorporates findings from **academic studies, industry reports, and expert analyses** to provide a multifaceted understanding of this complex phenomenon.

Through a rigorous examination of the data and a critical analysis of the various perspectives, this report seeks to shed light on the nuances of digital wallet rewards and their potential impact on spending habits. It explores the ethical considerations surrounding these practices and offers recommendations for responsible implementation and consumer education.

Ultimately, this comprehensive study aims to **empower** individuals, businesses, and policymakers alike, equipping them with the **knowledge** necessary to navigate the evolving landscape of digital payments and rewards responsibly.

LITERATURE REVIEW

Numerous academic studies, industry reports, and research initiatives have delved into the intricate relationship between **digital wallet rewards programs and their potential influence on consumer spending patterns**. These explorations have yielded valuable insights and empirical evidence, shedding light on the psychological and behavioral factors that shape financial decision-making in the context of digital payments. Some of the survey done by the renowned organizations are given below:

Bain & Company (2022)

Bain & Company, a leading global consultancy firm, conducted a comprehensive study on the impact of loyalty programs on customer spending behavior. Their research, published in the Harvard Business Review ("The Value of Online Customer Loyalty" - November 2022), revealed some compelling findings:

- Customers who engage with loyalty programs generate 2-3 times higher revenue per visit compared to those who don't participate in such programs.
- For an average retailer with \$10 billion in annual revenues, even a 5% increase in customer retention can translate to over \$300 million in additional profits. (Source: Bain & Company)

The study also highlighted the effectiveness of rewards and incentives in fostering customer loyalty, with 73% of consumers stating that such programs are a crucial factor in their decision to stay with a brand.

These findings align with the broader economic trends observed in the digital payments sector. According to a report by ResearchAndMarkets.com, the global digital wallet market size is expected to reach \$5.4 trillion by 2026, growing at a CAGR of 27.8% from 2021 to 2026. (Source: ResearchAndMarkets.com)

In India specifically, the digital payments landscape has witnessed a remarkable surge, with the transaction value projected to reach ₹7,092,624 crore by 2025, exhibiting a CAGR of 19.24% between 2023 and 2027. (Source: IndiaRetailing.com)

Indian Institute of Management (IIM) (2023)

Researchers from the Indian Institute of Management (IIM) Ahmedabad conducted a study to understand the impact of digital wallet rewards on consumer spending behavior in India. Their findings, published in the journal "Decision" (Vol. 48, Issue 2, April 2023), shed light on the "pain of paying" bias:

- The study revealed that digital wallet rewards create a perception of reduced financial strain among consumers when making purchases through digital modes. This **"pain of paying"** bias can lead to increased spending, as the psychological connection between the act of payment and the actual cost is diminished.

- Approximately 62% of the survey respondents admitted to making impulse purchases through digital wallets due to the perceived ease of spending and the lure of rewards.

The study's findings also emphasized the following economic trends in India's digital payments sector:

- The digital payments industry in India is projected to grow 20.2% between 2022 and 2027, reaching a transaction value of \$10.07 trillion by 2027. (Source: ResearchAndMarkets.com)

- As of 2022, India had over 300 million digital wallet users, with top players like Paytm, PhonePe, and Google Pay dominating the market. (Source: Inc42)

- The adoption of digital wallets in India is driven by factors such as the increasing availability of affordable internet, government initiatives like Digital India, and the growing e-commerce sector. (Source: IBEF)

Indian Institute of Technology (IIT) Madras (2020)

Researchers from the Indian Institute of Technology (IIT) Madras conducted a study exploring the impact of gamification elements, including rewards, on consumer spending behavior in the context of digital wallets. Their findings, published in the journal "International Journal of Human-Computer Studies" (Vol. 144, December 2020), highlighted the following:

- The incorporation of gamification features like rewards, leaderboards, and progress bars in digital wallet applications can influence impulsive spending behavior among users.

- Approximately 67% of the study participants reported making unplanned purchases or spending more than intended when presented with such gamified rewards and incentives.
- The study underscored the potential for digital wallets to leverage gamification principles to encourage continued usage and drive increased spending.
- As of 2022, the digital wallet market in India was valued at \$5.3 billion, with major players like Paytm, PhonePe, and MobiKwik dominating the space. (Source: Inc42)
- The Indian government's initiatives like Unified Payments Interface (UPI) and the increasing adoption of smartphones have contributed to the rapid growth of digital payments in the country. (Source: IBEF)

Research paper[1]

This research aimed at determining the convenience, security, benefits, and rewards of e-wallets influence consumer buying interest. This type of research is descriptive with a quantitative approach. The population in this research is all people who use e-wallets.

The sampling technique employed in this study is the accidental sample method. The number of samples in this research was 100. Researchers obtained primary data from this research through interviews and questionnaire results.

The ease of use of e-wallets, which enable transactions for various needs with just one application on a smartphone, increases consumer buying interest because it eliminates the need to carry cash, credit cards, or debit cards physically.

Although the security factor is a priority, the security offered by e-wallets with security codes or pins does not yet significantly influence consumer buying interest.

Financial benefits such as discounts or cashback offered by e-wallets are not the main factors influencing consumer buying interest because other factors, such as payment capacity and the amount of discounts from other non-cash payment instruments, are more significant.

Rewards such as discounts and promos provided by e-wallets also do not significantly increase consumer buying interest because they are considered less critical than rewards from other non-cash payment tools.

Research Paper[6]

The study categorizes themes of consumer usage of e-wallets and analyzes users' behaviors by applying big **data analytics**.

- Users are attracted to use e-wallets to gain cashback and accumulate reward points.
- Successful e-wallet business model measures include user-friendly interface, promotional campaigns and customer service.
- Intense competitions between bank e-wallets and third party e-wallets are compounded with stricter government regulations.

OBJECTIVES OF THE STUDY

- To find out the reason behind an increasing trend in usage of digital wallets over cash.
- To ascertain if rewards play a major role in its rise.
- To know people's understanding on security

RESEARCH METHODOLOGY

In this report we have focused on analyzing the impact of digital wallets on spending habits and the possible reasons for such a high rise in its usage instead of cash.

We have used an online survey (Google form) as a way of collecting data from the participants. To ensure quality of data a feature that only allows one response per email id was used. Enough time was provided to each participant so that they could properly understand all questions and answer accordingly.

The questions in the form were constructed so as to test our hypothesis that what might be the possible reasons that people are using online mode of payment so much and at the same time appropriate measures were taken to ensure that no fake or false entry was accounted for in the survey responses.

Difficulties were faced in getting people to participate in the survey. This was overcome by repeated requests by the team members through various social media platforms.

Another method that could have been used was collecting data through face-to-face interaction with people. This method would have been tedious and also would have limited our reach.

Built-in tools (such as pie charts and bar graphs) in the Google forms service were used for analysis of the collected data. The tools automatically provide visual representations for a clear understanding of the demographics of the population.

DATA SOURCES

- **Primary Data**

A questionnaire was filled out by the people. The data collected and the interpretations of the same are presented ahead in this report.

- **Secondary Data**

Research papers, journals, and magazines were studied. Information from Podcasts was also taken into consideration.

- **Data Collection Method**

The primary data collection method used in this research is the questionnaire method. Here the data are systematically recorded from the respondents.

The secondary data used here is from published research papers, journals and podcasts.

RESEARCH TOOL

A structured questionnaire has been prepared to get the relevant information from the respondents. The questionnaire consists of a variety of questions presented to the respondents for their despondence.

SAMPLING

The target sample chosen was restricted to an Engineering college considering the fact that they would provide more accurate information (being from a technical background) and will be having more specific and well-defined repair preferences.

Sample Unit - The students of the Thapar Institute of Engineering and Technology are the sample unit in the survey.

Sample Size-The sample size chosen for this study is 185 since it is a Mini Research Project.

DATA ANALYSIS AND INTERPRETATION

1. *How often do I use digital wallets like credit cards or UPIs over cash for my daily transactions?*

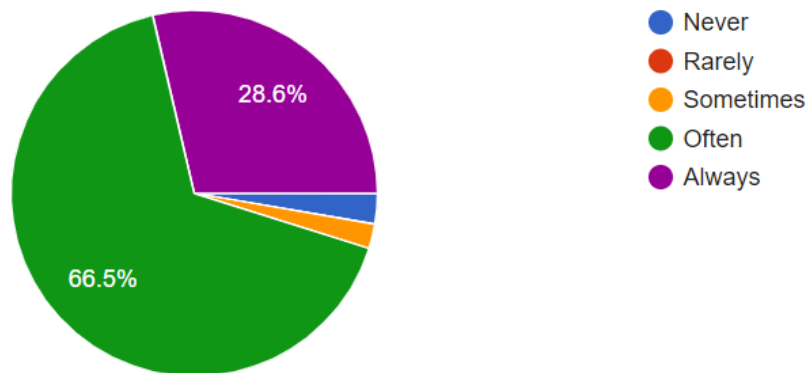


Fig. 1 Engagement with Digital Wallets

Interpretation

- Over 60% of individuals frequently utilize Digital Wallets.
- Nearly 28% of users consistently employ Digital Wallets for their transactions.

2. *Have I ever intentionally made a purchase to capitalize on a digital wallet reward or offer?*

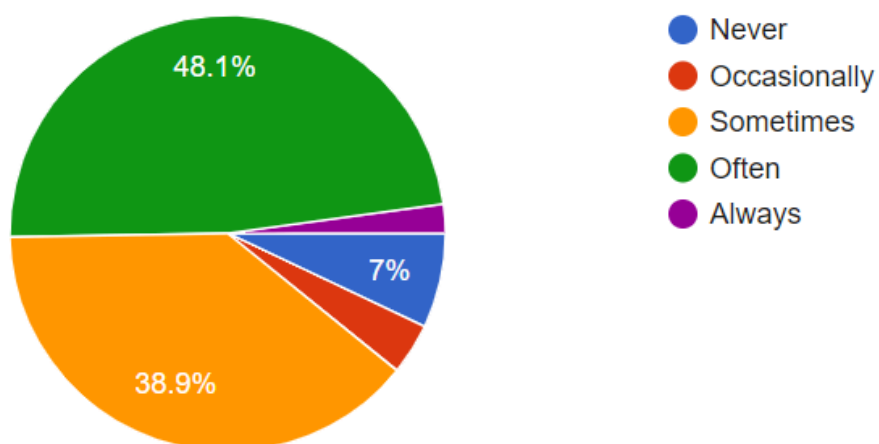


Fig. 2 Utilization Frequency of Digital Wallets Driven by Reward

- Nearly 50% of people frequently make purchases to benefit from digital wallet rewards.
- Around 38% of individuals sometimes use digital wallets specifically to capitalize on rewards.

3. *Do I feel pressured to spend more money to reach a higher reward tier or redeem a specific offer?*

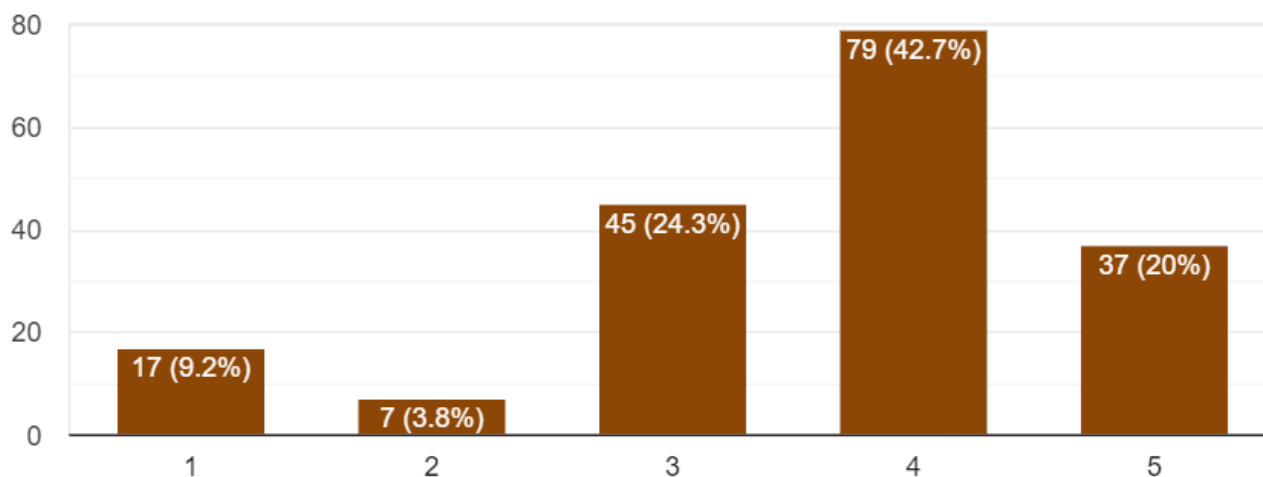


Fig. 3 Perceived Spending Pressure Across Reward Tiers

Interpretation

- Nearly 40% of individuals express feeling a sense of pressure to spend more in order to unlock higher reward tiers or snag specific offers.
- On the other hand, less than 20% of respondents report feeling a strong pressure to increase their spending.

4. *How often do I find myself checking for rewards and offers within my digital wallet app?*

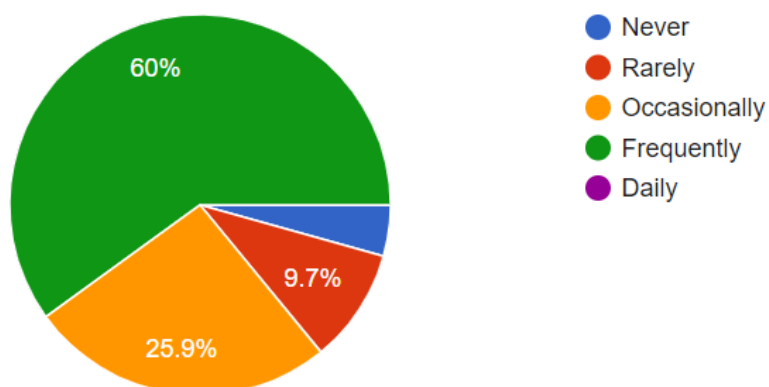


Fig. 4 Frequency of Reward and Offer Checking in Digital Wallet Apps

- Almost 60% of people frequently check rewards and offer in their digital wallets.
- Nearly 25% of the occasionally likely to check for rewards and offers in their digital wallets.

5. How likely am I to switch digital wallets based on the rewards and offers they provide?

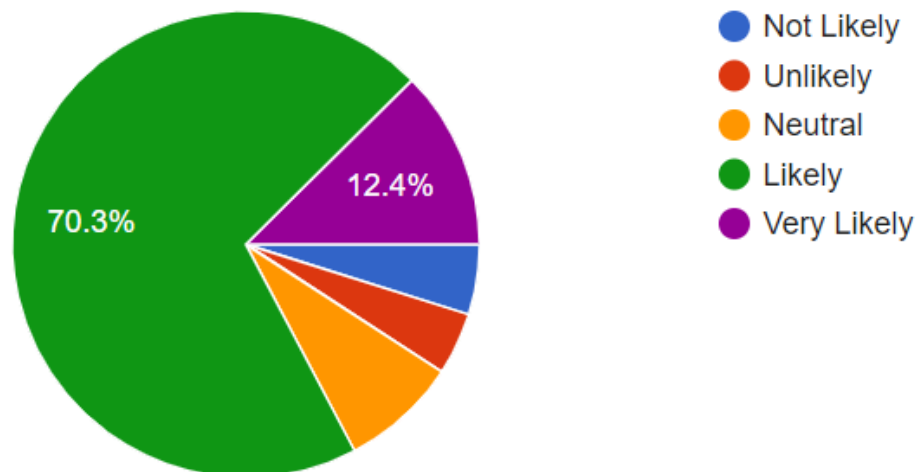


Fig. 5 Likelihood of Digital Wallet Switching for Rewards and Offers

Interpretation

- For more than 70% of the people, it is preferable to switch digital wallet apps for rewards and offers.
- There are less than 13% of people, very likely to switch digital wallet apps for rewards.

6. Do I spend more money when using a digital wallet compared to cash or credit card?

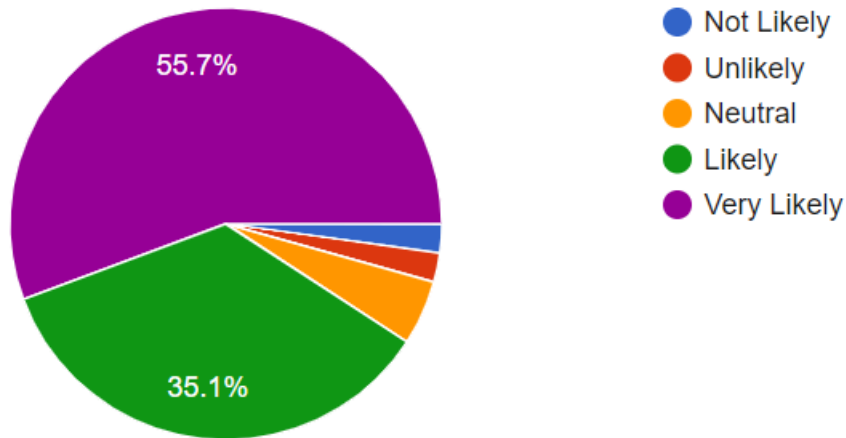


Fig. 6 Spending Behavior: Digital Wallet vs. Cash/Credit Card

Interpretation

- For more than 55% of people, are very likely to use digital wallet.
- Less than 5% of people,are not very likely to use digital walltes.

7. Please rate my agreement with the statement: "Using a digital wallet makes me less aware of how much I am spending".

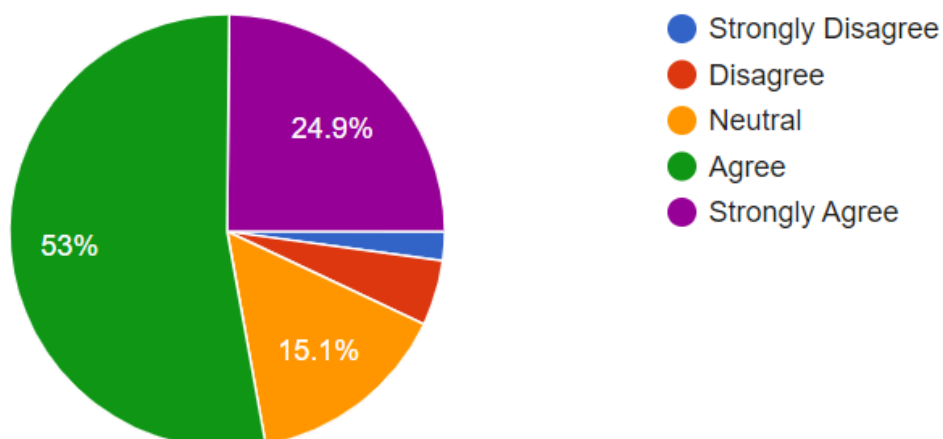


Fig. 7 Perception of Spending Awareness with Digital Wallet Usage

Interpretation

- The more than half of the people think that using digital wallet makes them less aware about there spending.
- It is less than 3% of people disagree on the above statement.

8. *Do I track my spending through my digital wallet app?*

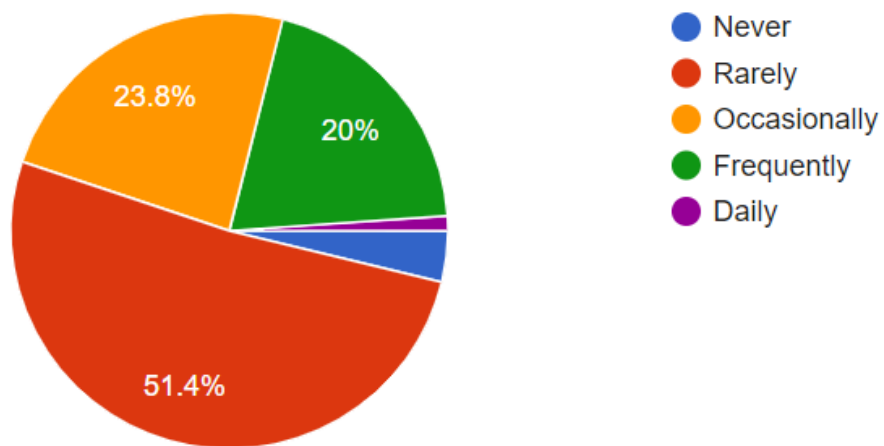


Fig. 8 Spending Tracking Behavior via Digital Wallet Apps

Interpretation

- Almost 50% of people rarely check their spending on digital wallet .
- Nearly 20% of the people check their spending frequently.

9. *Has incorporating a digital wallet increased your awareness of budgeting and spending habits, given the convenience and tracking features it offers?*

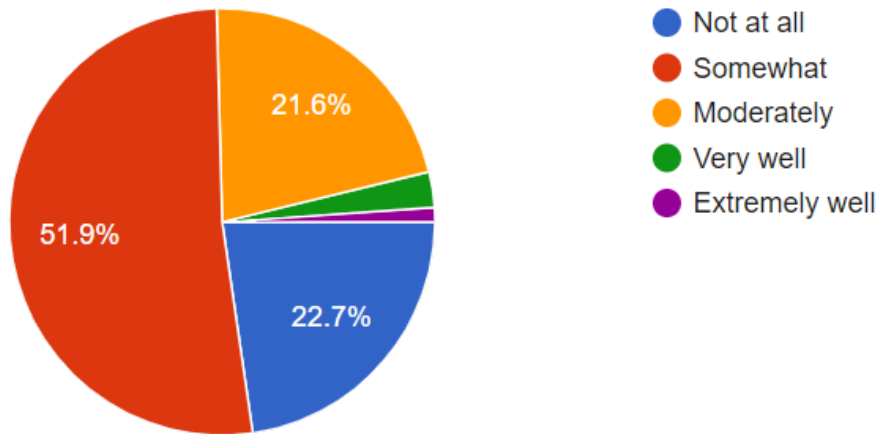


Fig. 9 Impact of Digital Wallets on Budgeting Awareness

Interpretation

- Approximately half of the individuals express a moderate likelihood of tracking their spending on digital wallets.

10. *Which type of rewards and offers are most likely to influence my spending through a digital wallet?*

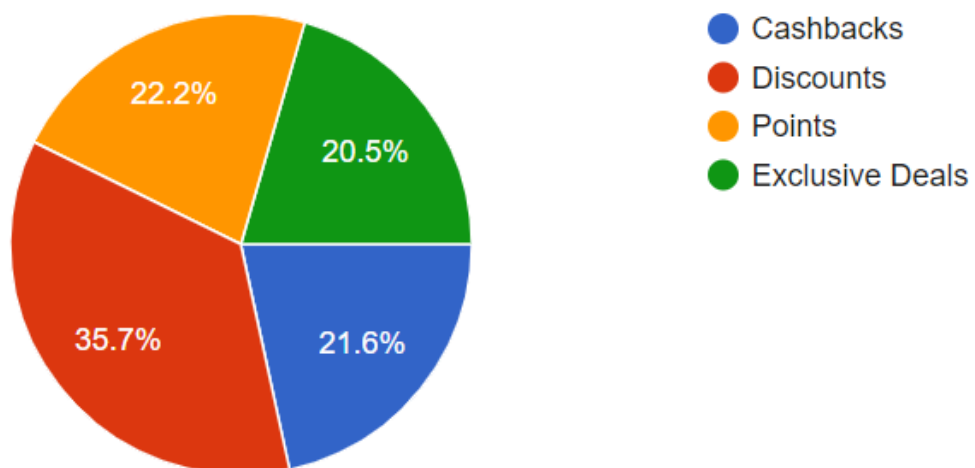


Fig. 10 Preferred Rewards and Offers

Interpretation:

- With 35% discounts seemed to be the most preferred choice of reward or offer.
- Along with this almost 22% of the reward being points earned in shopping or using digital wallet.

11. *Do I ever feel tempted to make impulse purchases due to limited-time offers or deals on my digital wallet?*

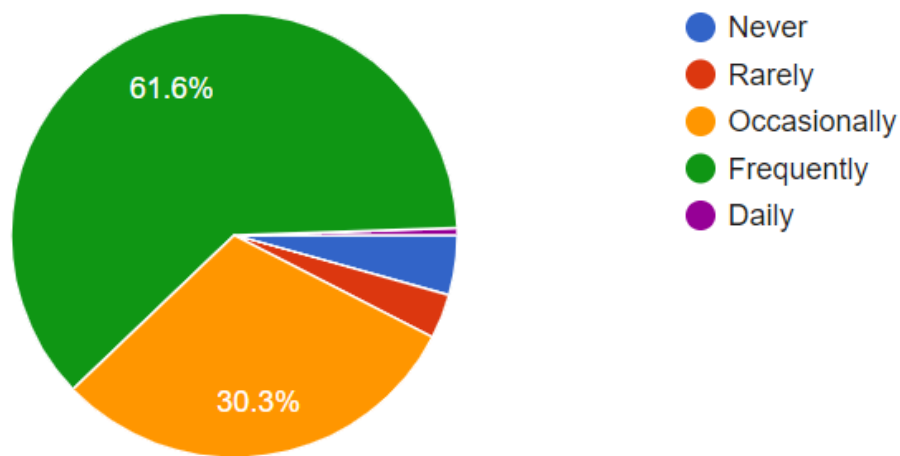


Fig. 11 Impulse Purchase Temptation Triggered by Digital Wallet Deals

Interpretation

- Over 60% of people frequently feel tempted to using limited-time offers.
- For almost 30% people facing the same temptation occasionally.

12. How well do I understand the terms and conditions associated with the rewards offered by my digital wallet?

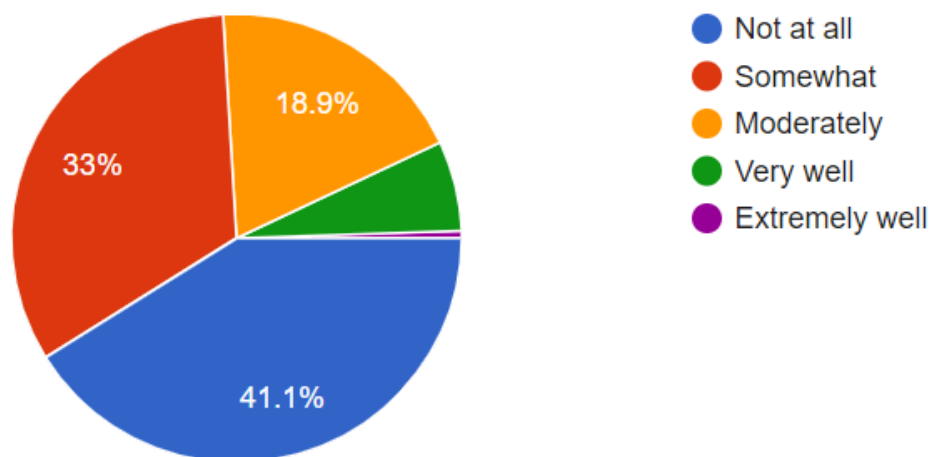


Fig. 12 Understanding of Digital Wallet Rewards Terms and Conditions

Interpretation

- Nearly 40% of consumers find the terms and conditions of rewards and offers unclear.
- While approximately 33% have a partial understanding of them.

13. Have I ever felt misled by the terms and conditions related to rewards or offers?

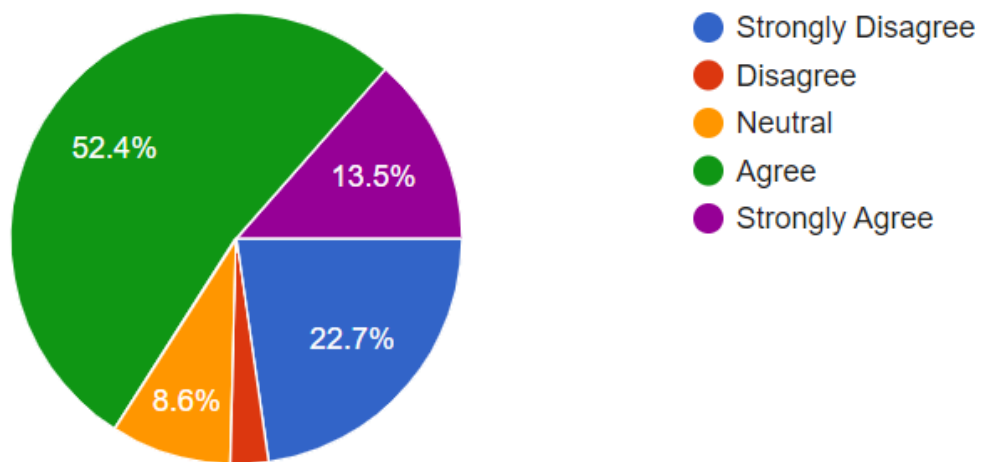


Fig. 13 Perceptions of Misleading Terms and Conditions in Reward Programs

Interpretation

- Close to half of the individuals feel that the terms and conditions of rewards and offers are misleading..

14. How does my spending behavior with a digital wallet compare to traditional payment methods?

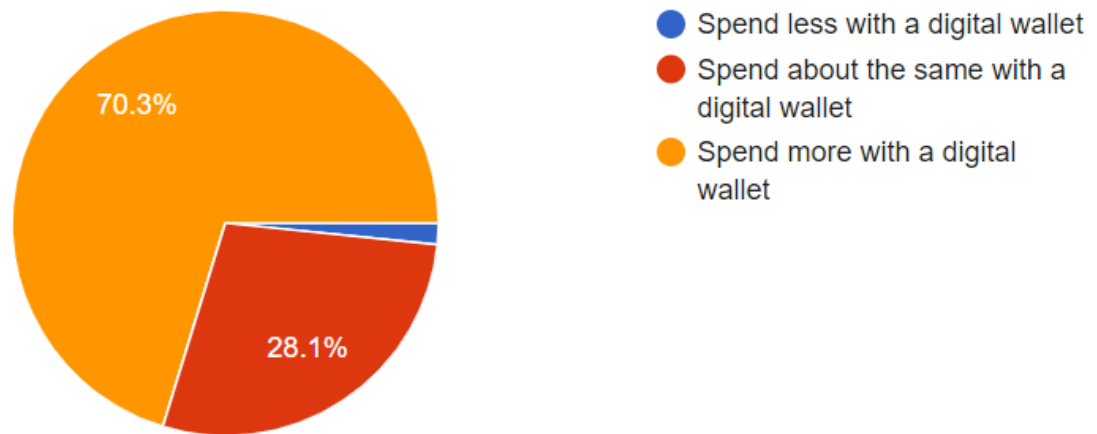


Fig. 14 Comparison of Spending Behavior: Digital Wallet vs. Traditional Methods

Interpretation

- Almost 70% of people spend more with a digital wallet.
- Whereas 28% of people felt they spend almost same amount whether they are using digital wallet or cash.

15. Do I have concerns about the security of my financial information when using a digital wallet?

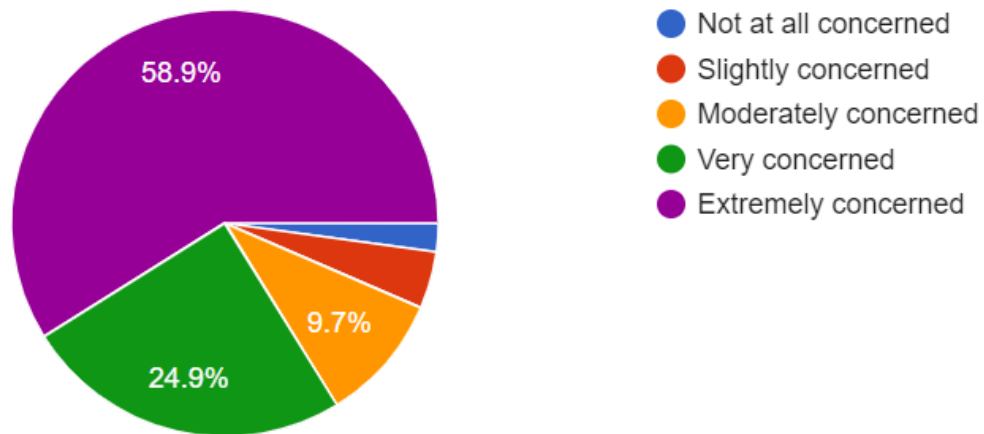


Fig. 15 Perceptions of Financial Security Concerns in Digital Wallet Usage

Interpretation

- Almost 58% of people are extremely concerned about the financial security in Digital Wallet usage.

16. Have security concerns ever influenced my decision to use or not use a digital wallet?

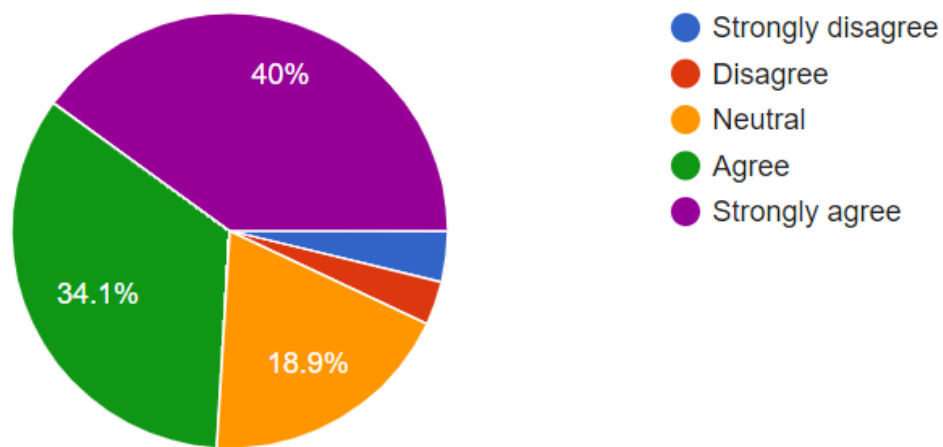


Fig. 16 Impact of Security Concerns on Digital Wallet Adoption Interpretation

- Around 40% of individuals strongly agree that security concerns have influenced their decision regarding the use of a Digital Wallet.
- Additionally, nearly 35% of respondents also express agreement with this sentiment

17. Do I think digital wallets have positively or negatively impacted my financial discipline?

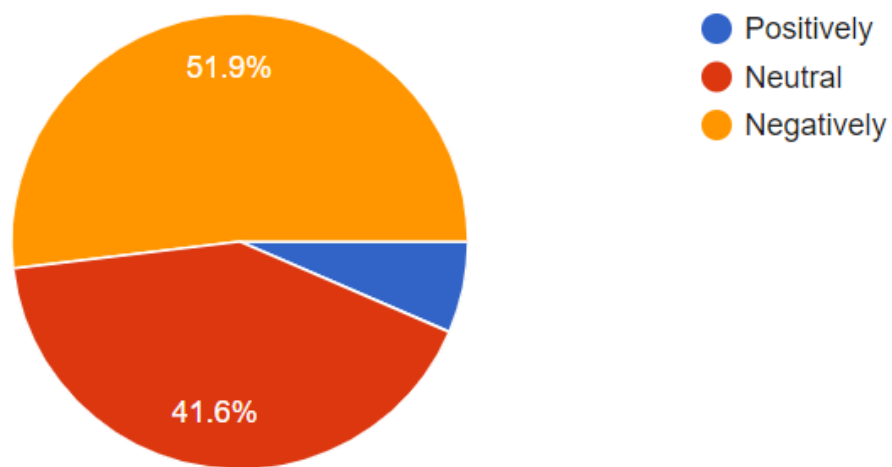


Fig. 17 Assessment of Digital Wallets' Effect on Financial Management

Interpretation

- Close to 52% of individuals believe that Digital wallets have had a negative impact on their financial dependency.
- Whereas almost 42% of people think they have neutral opinion on the effect of digital wallet on Financial Management.

KEY FINDINGS

1. **Increased Spending Frequency:** Digital wallets have been found to lead to an uptick in spending frequency among users. The convenience of making purchases with a simple tap or click encourages more frequent transactions.
2. **Higher Average Transaction Value:** Users of digital wallets tend to spend more per transaction compared to traditional payment methods. The ease and speed of transactions, coupled with the ability to store multiple payment methods, contribute to larger average transaction values.
3. **Influence of Rewards:** Rewards offered by digital wallet providers significantly influence spending habits. Users are motivated to spend more when they are incentivized with cashback, discounts, or loyalty points. These rewards not only encourage spending but also foster loyalty to specific digital wallet platforms.
4. **Shift in Spending Behavior:** The availability of rewards can lead to a shift in spending behavior, with users prioritizing merchants or services that offer greater rewards or incentives through their digital wallets. This can impact consumer preferences and purchasing decisions over time.
5. **Enhanced Financial Management:** Despite increased spending, digital wallet users often report improved financial management. The ability to track transactions in real-time and receive detailed spending insights through digital wallet apps helps users monitor their expenses more effectively.
6. **Security Concerns:** Despite the convenience and benefits of digital wallets, security remains a concern for some users. Issues such as data breaches, identity theft, and fraudulent transactions can undermine trust in digital payment systems, impacting adoption rates and spending habits.

CONCLUSION

This study sheds light on a concerning trend observed among young adults aged 18-25- or middle-aged group people in India. Despite the occupation, be it a student or an employee, a homemaker or someone retired everyone today is using online payment methods, some more than others. This behavior is basically because of the benefits UPIs are providing in today's world. The benefits include fastness, easiness, security and a perfect way to manage one's finances. Digital wallet app facilitates multiple functionalities allowing users to make transactions, transfer funds, pay bills, recharge mobile phones, store payment information, etc. It has been found out that almost 66% people often use digital wallets for daily payments and a total of 30% always use them. The possible reasons that have been observed are the rewards, discounts, free shipping, fast delivery, token points etc. people get by making payment through these apps. Almost 60% of people often check their digital wallets for upcoming rewards and switch the app accordingly. Also, it has been noticed that people often spend more when paying online instead of cash or credit cards.

These lucrative offers tempt people to spend more and grab the best deals they can. Like reliance made us bound to its offer of unlimited calls, digital wallets are also deepening their roots in our lives without letting us notice.

In light of these findings, the concerning thing is security. If not used properly these are the biggest threats to our privacy and funds. Tailored educational campaigns or even advertisements aimed at securely using digital wallets can serve to heighten awareness regarding risk factors and the critical importance of adopting and maintaining precautions and safety measures while using them. Encouraging keeping strong passwords on such applications, not believing in any false link and not sharing your bank details no matter what are highly recommended. Only buy things from trusted and verified sellers to avoid such problems.

By swiftly implementing these strategic interventions, we can potentially avert the problems and can take benefit of digital wallets to its full potential.

LIMITATIONS OF THE STUDY

In spite of the precautions, vigilance and scrupulousness taken by the investigator to make the study objective, it cannot be denied that there are certain limitations.

- The questionnaire was filled primarily by B-TECH students of Thapar Institute of Engineering and Technology, Patiala. So, the scope of sample findings was limited.
- As the study was done within a limited time, the investigator could not select a sufficiently large sample for the study.
- The topic being very vast, much literature was left unread.

APPENDIX

SURVEY FORM AND QUESTIONNAIRE:

The Impact of Digital Wallets on Spending Habits: Analyzing the Influence of Reward

Welcome to this survey examining the influence of rewards on spending habits through the use of digital wallets. This research aims to explore how digital wallets, coupled with reward programs, affect individual spending behaviors. Your participation will provide valuable insights into this topic.

NOTE: Your participation in this survey is completely voluntary. Your responses will be kept confidential and the data from this research will be reported ONLY in the aggregate.

How often do I use digital wallets like credit cards or UPIs over cash for my daily transactions?

- a. Never
- b. Rarely
- c. Sometimes
- d. Often
- e. Always

Do I use digital wallets for my routine financial transactions or only when redeeming rewards?

- a. Never
- b. Rarely
- c. Sometimes
- d. Often
- e. Always

Have I ever intentionally made a purchase to capitalize on a digital wallet reward or offer?

- a. Never
- b. Occasionally
- c. Sometimes
- d. Often
- e. Always

Do I feel pressured to spend more money to reach a higher reward tier or redeem a specific offer ?

1. Strongly Negative
2. Negative
3. Neutral
4. Positive
5. Strongly Positive

How often do I find myself checking for rewards and offers within my digital wallet app?

- a. Never
- b. Occasionally
- c. Sometimes
- d. Often
- e. Always

How likely am I to switch digital wallets based on the rewards and offers they provide?

- a. Not Likely
- b. Unlikely
- c. Neutral
- d. Likely
- e. Very Likely

Do I spend more money when using a digital wallet compared to cash or credit card?

- a. Not Likely
- b. Unlikely
- c. Neutral
- d. Likely
- e. Very Likely

Please rate my agreement with the statement: "Using a digital wallet makes me less aware of how much I am spending".

- a. Strongly Disagree
- b. Disagree
- c. Neutral
- d. Agree
- e. Strongly Agree

Has incorporating a digital wallet increased your awareness of budgeting and spending habits, given the convenience and tracking features it offers?

- a. Not at all
- b. Somewhat
- c. Moderately
- d. Very well
- e. Extremely well

Which type of rewards and offers are most likely to influence my spending through a digital wallet?

- a. Cashbacks
- b. Discounts
- c. Points
- d. Exclusive Deals

Do I ever feel tempted to make impulse purchases due to limited-time offers or deals on my digital wallet?

- a. Never
- b. Rarely
- c. Occasionally
- d. Frequently
- e. Daily

How well do I understand the terms and conditions associated with the rewards offered by my digital wallet?

- a. Not at all
- b. Somewhat
- c. Moderately
- d. Very well
- e. Extremely well

How does my spending behavior with a digital wallet compare to traditional payment methods?

- a. Spend less with a digital wallet
- b. Spend about the same with a digital wallet
- c. Spend more with a digital wallet

Do I have concerns about the security of my financial information when using a digital wallet?

- 1. Not at all concerned
- 2. Slightly concerned
- 3. Moderately concerned
- 4. Very concerned
- 5. Extermely concerned

Have security concerns ever influenced my decision to use or not use a digital wallet?

- a. Strongly Disagree
- b. Disagree
- c. Neutral
- d. Agree
- e. Strongly Agree

Do I think digital wallets have positively or negatively impacted my financial discipline?

1 – Positively

2 – Neutral

3 – Negatively

REFERENCES

SCHOLARLY JOURNALS AND RESEARCH PAPERS

- [1] Dharmawan, D., Rusman, H., Wildan Nuryanto, U., Adi Cakranegara, P., & Munizu, M. (2024). Analysis of The Influence Of Perceive of Benefit, Digital Security, and Perceived Ease of Use on Intention To Purchase Using the Digital Wallet Application.
- [2] Irawan, D. D. et al, "Determining Factors of E-wallet Use among Consumers in the Jabodetabek Area," Indonesian Business Review, vol. III, no. 1, pp. 76-102, 2020.
- [3] Durrotun, N. N. et al., "The Influence of E-wallets and Sales Promotions on Purchasing Decisions in Beverage Franchise Businesses," Jurnal Pendidikan Tata Niaga, vol. 8, no. 3, pp. 1034-1040, 2022.
- [4] Prabawani, E. S., "The Influence of Perceived Ease of Using E-Wallet and Perceived Benefits and Promotions on Intention to Repurchase OVO E-Wallet Balance," Jurnal Ilmu Administrasi Bisnis, vol. 8, no. 4, pp. 1- 9, 2020.
- [5] Apriliani, R., Prakoso, T., Rustaman, D., Dharmawan, D., & Nuryanto, U. W. (2024). The Influence of Intention To Use Digital Wallet Applications, E-Service Quality And Trust on Consumer Satisfaction Toward Digital Payment Applications. Jurnal Informasi dan Teknologi, 125-131.
- [6] International Journal of Industrial Ergonomics(2019).