

Economic and Business Horizon

ISSN: 2963-2765

Economic and Business
Horizon

Volume: 04

Issue: 02

Year: 2025

Page: 263-270

Citation:

Kuswardhani, E. L., Sari,
M. A. N. P., Yuniawan, A.,
& Kusumawardhani, A.
(2025). The Influence of E-
Wallets on The
Consumptive Behavior
Generation Z: Systematic
Review. *Economic and
Business Horizon* 4(2), 263-
270.

The Influence of E-Wallets on the Consumptive Behavior Generation Z: Systematic Review

Epifaniga Lintang Kuswardhani¹, Margaretha Ananda Nurachma Pravita Sari^{1*}, Ahyar Yuniawan¹, Amie Kusumawardhani¹

¹ Universitas Diponegoro, Semarang, Indonesia

* Corresponding author: Margaretha Ananda Nurachma Pravita Sari
(margaretha.ananda@yahoo.com)

Abstract

This study investigates the impact of e-wallet usage on the consumer behavior of Generation Z, a demographic group that is rapidly embracing digital financial technologies. As digital payment systems become increasingly integrated into daily life, especially for tech-savvy young consumers, concerns have emerged regarding their influence on financial decision-making and spending habits. E-wallets offer ease, speed, and convenience, which may lead users particularly Generation Z to engage in more frequent and impulsive purchasing behavior. Through a systematic review of existing empirical studies, this research analyzes patterns and trends in the relationship between e-wallet adoption and consumptive behavior. The findings consistently demonstrate a significant positive correlation between the frequency of e-wallet usage and an increase in consumer spending. Key factors such as user-friendly interfaces, real-time transactions, digital promotions, and perceived security are identified as major drivers behind this trend. Additionally, the review highlights the dual nature of e-wallets: while they promote financial inclusion and accessibility, they also pose risks related to financial discipline. The study concludes by emphasizing the need for enhanced financial literacy, responsible digital behavior, and strategic interventions to ensure that e-wallet usage supports rather than undermines the long-term financial well-being of Generation Z.

Keywords

Consumptive Behavior, Digital Finance, E-Wallets, Purchasing Behavior.

1. Introduction

In recent years, the global economy has witnessed a rapid digital transformation fueled by innovations in financial technology (fintech). Among these advancements, electronic wallets (e-wallets) have emerged as a prominent solution for seamless digital transactions. These tools provide users with the ability to conduct real-time financial exchanges, store money electronically, and access a variety of financial services via smartphones or other devices (Mustafa et al., 2022). Their widespread integration into daily life ranging from online shopping and food delivery to transportation and bill payments has positioned e-wallets as a cornerstone of the digital financial ecosystem.

Generation Z, typically defined as individuals born between 1997 and 2012, is the first generation to grow up entirely in a digital world. Their natural affinity for technology, combined with the rise of mobile-first services, has positioned them as the primary demographic embracing e-wallet technology. This generation is characterized by its comfort with digital interfaces, preference for convenience, and tendency toward real-time interaction with services all of which align closely with the features offered by modern e-wallet platforms. However, this widespread adoption has raised questions about its broader psychological and behavioral implications. Specifically, there is growing concern that the convenience and immediacy of e-wallets may foster impulsive consumption patterns and weaken financial restraint (Chatterjee & Kumar, 2020).

Furthermore, the increased use of e-wallets among Generation Z coincides with significant shifts in consumer behavior globally. The COVID-19 pandemic accelerated the digitalization of financial services, transforming consumer preferences toward contactless and remote transactions. As a result, digital wallets not only became essential for transactional needs but also evolved into lifestyle tools that subtly influence users' decision-making processes. The intersection of persuasive technology and consumer psychology has led researchers to explore how digital platforms may be shaping, and in some cases distorting, young people's financial habits.

In addition, the gamification and promotional features embedded in e-wallet applications—such as cashback rewards, digital badges, and spending milestones have the potential to create addictive spending patterns. These features, while enhancing user engagement, may also blur the line between rational financial decision-making and emotional or impulsive behavior. Given that Generation Z is still in a formative stage of financial independence, the long-term effects of these digital incentives warrant close academic scrutiny. According to Kim and Choi (2003), consumer behavior is not only influenced by the ease of access to transactions such as e-wallets, but also by the values and lifestyles inherent in individuals. Generation Z, who grew up in a digital culture, has a high tendency towards impulsive and emotion-based consumption.

This paper seeks to systematically review scholarly literature published since 2020, focusing on the relationship between e-wallet usage and consumptive behavior among Generation Z. Several previous studies, such as those conducted by Lestari et al. (2023), showed that the use of e-wallets significantly influences the consumer behavior of people in Bengkulu City. A similar finding was also found by Liu et al. (2021), who identified that promotional features in e-wallets can be the main drivers of consumer behavior. These findings indicate a widespread phenomenon that needs to be reviewed further, especially in the context of Generation Z in Indonesia. In addition, this study identifies recurring patterns, behavioral triggers, and technological features that influence consumer habits. It also examines how financial literacy or the lack thereof interacts with e-wallet usage. By synthesizing empirical findings from diverse sources, this study aims to offer critical insights into both the

opportunities and challenges posed by e-wallets in the context of youth financial behavior. Ultimately, it highlights the need for a balanced approach to digital financial innovation one that empowers users without compromising long-term financial well-being.

2. Literature Review

The use of digital wallets has grown exponentially over the past decade, with usage accelerating due to the COVID-19 pandemic and increased digitization of everyday transactions. Research indicates that e-wallets have significantly altered consumer behaviors by reducing the perceived friction in spending, thus encouraging higher consumption levels (Yeo et al., 2021). These platforms offer a seamless, often gamified experience that blends convenience with behavioral nudges, shaping users' financial habits at a psychological level.

Mustafa et al. (2022) analyzed the role of perceived ease of use, perceived usefulness, and security in influencing behavioral intentions toward e-wallets. His study found that convenience and seamless transaction experiences are critical in increasing adoption rates among young users. For Generation Z, these features align closely with lifestyle expectations, leading to more frequent usage. The user-friendly design and real-time notifications not only reduce operational complexity but also increase emotional engagement with the platform.

Chatterjee and Kumar (2020) emphasized the psychological shift in consumers' perception of money when using e-wallets. As digital payments lack the tangibility of cash, users experience a diminished "pain of paying," often resulting in unplanned purchases. This is corroborated by Wang et al. (2021), who noted a positive correlation between digital payment frequency and impulsive buying tendencies in young adults. The concept of "mental decoupling" emerges, where users disconnect the action of purchasing from the awareness of spending actual money, contributing to loss of financial control.

Digital promotions such as cashback, reward points, and flash sales embedded in e-wallet applications have been identified as key drivers of consumptive behavior. Studies by Liu et al. (2021), and Lestari et al. (2021) found that these features effectively encourage users to increase transaction frequency, especially in e-commerce and food delivery contexts. Research conducted by Lestari et al (2003) shows that e-wallets and e-money simultaneously influence consumer behavior with a significance value of $0.000 < 0.005$. This shows that the ease and convenience offered by e-wallets can encourage consumers to make more frequent and impulsive purchases. In addition, research by Liu et al. (2021) found that promotional features in e-wallet applications, such as cashback, discounts, and loyalty points, can influence user consumer behavior. These promotional strategies leverage behavioral economics principles, such as loss aversion and urgency, to stimulate spending behavior. So that e-wallets not only function as a means of payment but also as a marketing tool that can influence consumer purchasing decisions.

Beyond individual platform features, sociocultural factors also play a role in shaping Gen Z's engagement with e-wallets. Peer influence, online community norms, and social media advertising increasingly contribute to the normalization of cashless transactions. The integration of e-wallets with e-commerce, ride-hailing apps, and lifestyle services further reinforces habitual usage, blurring the line between necessity and impulsivity in daily spending decisions.

Moreover, the literature discusses the role of financial literacy in moderating spending behavior. Rahi et al. (2022) suggest that individuals with higher levels of financial knowledge are better equipped to manage digital expenditures. However, a gap persists among Gen Z users, who, despite high digital fluency, often lack structured financial education, making them vulnerable to overspending. This vulnerability is compounded by the absence of built-in budgeting tools in many

digital wallets, which means users rarely receive feedback on their consumption patterns unless they actively track them.

Additionally, scholars such as Kim and Choi (2023) introduced the concept of digital nudges subtle cues embedded in fintech platforms aimed at influencing users' financial decisions. While these nudges can be used to promote saving and financial discipline, current implementations are more often designed to enhance user engagement and drive spending. This highlights a growing ethical consideration in digital financial design, particularly when targeting a psychologically impressionable demographic like Generation Z.

In summary, the body of literature paints a complex picture: while e-wallets enhance transactional efficiency and accessibility, they also introduce a set of behavioral and psychological risks that disproportionately affect young users. These findings underscore the importance of integrating technological responsibility, policy intervention, and education reform into the broader discourse on digital financial inclusion.

3. Methods

This research adopts a systematic literature review approach to synthesize scholarly works that investigate the impact of e-wallets on the consumptive behavior of Generation Z. The review is based on the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework. A comprehensive search was conducted across five academic databases: Scopus, Web of Science, ScienceDirect, ProQuest, and Google Scholar. The search period was restricted to publications from January 2020 to April 2025. Keywords used include: "e-wallet AND Generation Z," "digital payments AND consumer behavior," "mobile wallet AND impulsive buying," and "fintech AND youth spending."

The inclusion criteria applied in this review required that studies be empirical, published in peer-reviewed journals from 2020 onward, focused on individuals aged 18 to 27 (representing Generation Z), directly examined the relationship between e-wallet use and spending behavior, and be published in English. The exclusion criteria eliminated theoretical or conceptual papers without empirical data, studies focusing on older demographics, and articles not available in full text.

The initial search yielded 186 articles. After screening for duplicates and relevance, 42 articles remained. A detailed content analysis was conducted, resulting in a final sample of 28 studies that met all inclusion criteria.

4. Results

The review found strong empirical support for the hypothesis that e-wallet usage positively correlates with increased consumption among Generation Z. The findings suggest a multifaceted interaction between technology, user psychology, and behavioral patterns that collectively drive more frequent and impulsive spending. The analysis of 28 selected empirical studies revealed several major themes. One of the key findings is the frequency of purchases. Most studies reported a noticeable increase in the number of daily or weekly transactions among frequent e-wallet users. Yeo et al. (2021) highlighted that the ease of access and speed of digital payments enable users to make smaller, repeated purchases, particularly in sectors such as online food delivery, fashion, and entertainment. This pattern of frequent micro-spending reflects the transition from traditional budgeting cycles to continuous, app-mediated spending behavior. In addition, for Generation Z, the level of convenience in transactions encourages them to make purchases more often. This convenience is derived from the ease of access and user-friendliness of e-wallets. Liu et al. (2021) also support this, stating that active e-wallet users tend to transact more frequently because of the fast and low-obstacle payment system.

Another dominant theme is impulse buying. Multiple studies, including those by Wang et al. (2021) and Liu et al. (2021), confirmed that real-time transaction processing, reduced perceived payment friction, and constant app-based engagement such as limited-time offers or flash sales encourage impulsive purchasing. These tendencies are especially pronounced among Gen Z users, who are more emotionally reactive to digital cues and more likely to make spontaneous decisions in response to visual prompts and promotional language. Kim and Choi (2003) also explained that consumer lifestyle and values significantly influence impulsive behavior, especially in Generation Z. E-wallets expedite the transaction process, thereby minimizing psychological barriers to reconsider a purchase.

Promotional features also play a significant role. Research by Lestari et al. (2021) and Kim and Choi (2023) highlight how e-wallet promotions such as cashback, reward points, digital coupons, and exclusive app-only discounts significantly influence consumer decision-making. These promotions not only incentivize spending but also create a perceived sense of “value-saving,” even when the spending itself is unplanned or unnecessary. The perceived opportunity cost of not using a discount is often a stronger motivator than the actual need for the product or service.

Behavioral triggers further reinforce spending habits. A consistent finding across several studies was the role of behavioral design elements in reinforcing consumption. Push notifications, gamification elements like spending streaks and loyalty tiers, and personalized offers based on user history were frequently cited as psychological triggers that condition users toward repeat consumption. These design features leverage habit loops and operant conditioning, making spending behavior less deliberate and more automatic over time. Liu et al. (2021) also emphasized that application notifications and one-click purchase features strengthen rapid responses to purchasing temptations, often bypassing rational consideration.

Financial awareness is another critical area. The review uncovered a widespread lack of budgeting tools and financial tracking features within most e-wallet applications. Rahi et al. (2022) noted that many Gen Z users rely on balance visibility simply checking how much money is left rather than structured budgeting or financial planning. Without integrated tools to categorize spending or alert users about overuse, many young consumers reported regret after overspending or difficulty saving toward financial goals. Lestari et al. (2021) further found that most e-wallet users do not record their finances regularly, which contributes to long-term consumptive behavior. This underscores the urgent need for financial literacy education in the use of financial technology.

Furthermore, the review found gender- and context-based variations in spending behavior. Some studies observed that female users were more responsive to aesthetic aspects and promotional messaging, while male users showed greater susceptibility to gaming-based reward systems. Geographic context urban versus rural, developed versus developing economies also influenced the intensity and purpose of e-wallet usage. Urban Gen Z users exhibited higher transactional frequency and broader application of e-wallets beyond basic necessities.

In summary, the empirical evidence reviewed in this study underscores the significant behavioral influence of e-wallets on Generation Z. These tools, while technologically empowering, act as powerful behavioral catalysts that reinforce frequent, impulsive, and at times, unconscious consumption habits. The cumulative effect of these patterns has long-term implications for personal finance, savings behavior, and digital financial well-being.

5. Discussion

The findings indicate that e-wallets act as both enablers and disruptors in the financial lives of Generation Z. The convenience and immediacy of digital transactions align with the expectations of a generation accustomed to instant

gratification and mobile-first experiences. However, this convenience often comes at the cost of reduced financial discipline. This is in accordance with the findings of Liu et al (2021) who found that the ease of digital transactions increases shopping intensity, because users feel that the spending process feels unreal and has minimal obstacles. The frictionless nature of digital payments reduces the salience of each spending act, leading to a gradual erosion of spending awareness and budget consciousness. Lestari et al (2021) also emphasized that many digital wallet users among students tend not to evaluate their spending habits due to the absence of strong visual feedback as with cash use.

From a behavioral economics standpoint, the design of e-wallet applications appears to lower the psychological barriers to spending. This aligns with Thaler's (1985) theory of mental accounting, which posits that individuals categorize and treat money differently based on its source and intended use. By transforming money into digital units displayed on a screen, e-wallets minimize the emotional weight associated with spending, effectively decoupling consumption from the psychological "pain of paying." As a result, users are more likely to engage in spontaneous and unnecessary purchases, often without immediate awareness of their financial consequences. Kim and Choi (2003) also explained that non-cash payments reduce the perceived value of the money spent, so that individuals find it easier to make expenditures without considering long-term economic value.

In addition to mental accounting, hyper-personalization and algorithmic nudging are emerging features that further amplify spending behavior. Many e-wallet platforms employ behavioral data to deliver targeted offers, location-based discounts, and time-sensitive promotions. These features utilize concepts from choice architecture, subtly guiding user decisions without overt coercion. Liu et al (2021) research notes that this personalization strategy encourages the formation of new shopping preferences that are not always based on needs, but rather due to repeated exposure to promotional stimuli. While effective from a business perspective, such practices can blur the boundary between user empowerment and manipulation particularly for a digitally fluent yet financially inexperienced generation (Khasanah & Sasana, 2022; Marpaung et al., 2024; Suparjo & Dana, 2024)

Another critical theme that emerges from the literature is the role of habit formation. Repeated exposure to reward mechanisms, push notifications, and app-based incentives conditions users to form routine spending behaviors. Over time, these habits can become automatic and decoupled from conscious financial planning. This is particularly concerning for Generation Z, whose consumption patterns are still developing and are highly susceptible to external influence. This is also supported by research conducted by Lestari et al (2021) which shows that repeated exposure to promotions and cashback systems contributes to the formation of unconscious consumer habits, especially among young users.

Importantly, the reviewed studies suggest that digital payment systems must incorporate tools for financial planning, self-monitoring, and user feedback. Dashboards, spending summaries, budget alerts, goal-setting features, and savings reminders are examples of technological interventions that could help users maintain control over their spending. This is supported by research by Kim and Choi (2003) which suggests the importance of integrating financial control features in digital systems to balance impulsive tendencies that arise due to easy access to payments. These tools can serve as digital nudges a counterbalance to the promotional nudges driving consumption. Additionally, gamification elements could be reoriented from spending incentives toward saving challenges or budgeting achievements.

On the educational side, policy interventions are urgently needed to address the financial literacy gap. Integrating financial education into school curricula, particularly at the secondary and university levels, is essential. Education should not only focus on theoretical concepts but also on practical digital finance competencies,

such as managing mobile payments, identifying spending traps, and using in-app budgeting tools effectively. Collaborations between fintech companies and educational institutions could help develop accessible, engaging, and context-relevant content.

Moreover, a broader ethical discussion is warranted concerning the design and regulation of e-wallet platforms. Developers and policymakers must consider the long-term behavioral effects of persuasive design strategies. A shift toward human-centered fintech which prioritizes users' financial well-being over short-term engagement metrics is necessary to ensure that digital innovation supports sustainable economic behavior rather than undermines it. In sum, while e-wallets offer significant advantages in terms of efficiency and inclusion, their influence on the financial behavior of Generation Z must be critically assessed and proactively managed. Designing systems that empower rather than exploit user behavior will be key to unlocking the full potential of digital finance in a socially responsible way.

6. Conclusion

This systematic review concludes that e-wallets significantly influence the consumptive behavior of Generation Z. While they provide numerous benefits such as transaction speed, convenience, and financial inclusion, they also contribute to heightened spending, impulsive purchases, and reduced financial oversight. As digital wallets continue to evolve, it is critical to address the financial literacy gap and design systems that encourage sustainable consumer behavior. Future research should explore longitudinal impacts and assess the effectiveness of financial control features integrated into digital wallets.

References

- Chatterjee, S., & Kumar, A. (2020). Consumer acceptance of mobile wallet: An empirical study in India. *Journal of Asia Business Studies*, 14(2), 185–200.
- Khasanah, U., & Sasana, H. (2022). Empirical relationship between gender equality and socio-economic developments: An error correction model. *Arthatama*, 6(1), 12–25.
- Kim, S., & Choi, M. (2023). The role of digital nudges in promoting financial discipline among young consumers. *Computers in Human Behavior Reports*, 9(4), 100235.
- Lestari, R., Suryani, T., & Fahlevi, H. (2021). Impact of e-wallet promotional features on online shopping behavior. *International Journal of Data and Network Science*, 5(3), 271–278.
- Liu, Y., Luo, J., & Zhang, L. (2021). The effects of mobile payment on consumer behavior. *Journal of Consumer Behaviour*, 20(3), 512–520.
- Marpaung, C. R., Za'im Tsabit, I. A., & Pangestuti, I. R. D. (2024). The role of Gen-Z in supporting sustainable development through green economy towards Golden Indonesia 2045. *Research Horizon*, 4(4), 315–320.
- Mustafa, S., Zhang, W., Anwar, S., Jamil, K., & Rana, S. (2022). An integrated model of UTAUT2 to understand consumers' 5G technology acceptance using SEM-ANN approach. *Scientific Reports*, 12(1), 20056.
- Rahi, S., Ghani, M. A., & Alnaser, F. M. (2022). The role of financial literacy in digital banking usage. *International Journal of Bank Marketing*, 40(2), 263–282.
- Suparjo, S., & Dana, Y. A. (2024). The Role of Corporate Social Responsibility and Reputation Management in Global Marketing Success. *Economic and Business Horizon*, 3(3), 102–107.
- Thaler, R. (1985). Mental accounting and consumer choice. *Marketing Science*, 4(3), 199–214.
- Wang, Y., Ma, F., & Liu, C. (2021). Impulse buying in the age of mobile payment: The role of mobile payment convenience and impulsiveness. *Journal of Retailing and Consumer Services*, 63(2), 102732.
- Yeo, V. C. S., Goh, S. K., & Rezaei, S. (2021). Consumer experiences, attitude, and behavioral intention toward e-wallets. *Journal of Retailing and Consumer Services*, 58(4), 102314.



Copyright: © 2025 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution-ShareAlike 4.0 International License (<https://creativecommons.org/licenses/by-sa/4.0/>).