



Factors Influencing Consumer Spending Patterns Among Working Adults

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Abstract: There have been considerable changes in the consumer spending behaviour of working adults due to fluctuating income levels, greater reliance on digital payment systems, and changing lifestyle preferences. However, there is a lack of empirical research on how these factors collectively determine consumer spending patterns within the regional setting. This paper fills the void by empirically investigating the factors influencing consumer spending behaviour among working adults.

The study is aimed at investigating how income level, digital payment adoption, and lifestyle combined with social influence affect consumer spending patterns. The research team went for a quantitative research methodology. Primary data were gathered from working adults via a structured questionnaire. A convenient sampling method was used to pick the sample of respondents. Descriptive statistics and inferential techniques were utilized to analyse the data and to establish the link between the independent variables and consumer spending patterns.

Main Discoveries of The Study Among the main findings of the research, the investigators highlight the fact that a person's income level profoundly determines their ability to spend as well as the buying decisions they make. Embracing digital payment methods has been shown to increase the level of convenience when making a transaction and the buying frequency. Besides these two factors, lifestyle and social influence also played a +strong+ role in determining product choice as well as expenditure priorities among the working adults.

In sum, the study suggests that consumer spending behavior is influenced not only by the money they earn but also by technology and social factors. The findings can serve as a handy tool for marketing professionals and banks as well as for government officials in their efforts to come up with the right tactics and encourage people to spend wisely

Keywords: Consumer Spending Patterns, Income Level, Digital Payment Adoption, Lifestyle Influence, Working Adults

2. INTRODUCTION

2.1 Background of the Study

Consumer spending is one of the key factors that determine economic development since it has a direct impact on production, employment, and market growth. How people distribute their income among different types of goods and services is a manifestation of their financial condition, their choices, and the influence of technological and social changes on them.

Consumer behaviour in India has changed significantly over the last few years due to the increase in income levels, urbanization, and the technological leap brought about by the internet. Working adults are the major income earners in most households and also make most of the financial decisions. Consequently, their spending behaviour is the main driver of business results and the overall economy. Through a greater share of employment in the formal sector and better salary structures, an increasing number of working adults have higher purchasing power than in the past

One of the major changes impacting consumer purchasing behaviour is the introduction and proliferation of digital payment methods like UPI, mobile wallets, and online banking. These options have made it easier to transact by lessening the reliance on cash and facilitating instant payments. The simplicity of making payments through digital channels has led to more frequent purchases and greater exposure to online shopping and app, based services.



On the other hand, lifestyle changes have also influenced consumption patterns. Today, consumers prioritize comfort, convenience, and social status more than before. Besides, social pressure from family members, friends, colleagues, advertising, and social media plays an important role in determining product choice and spending habits. People nowadays consume beyond their basic needs and their consumption is gradually turning to the purchasing of discretionary and lifestyle products.

The situation is a good example to study these changes as it is one of the most economically progressive and digitally well, connected states in India. The high number of working people, higher literacy rates, and extensive use of digital payment methods make it a perfect place to study the factors that affect consumer spending habits of working adults.

2.2 Research Problem

While consumer spending behaviour has always been the subject of extensive studies, a majority of the existing empirical research has only concentrated on individual determinants such as income or technology without considering other factors in the same study. There have only been a few studies that have looked at the combined effects of economic, technological, and social factors on consumer spending behaviour in the regional setting of India.

The widespread use of digital payment systems has changed the way we shop, but its effect on the total spending behaviour of working adults remains unclear. On the other hand, increasing incomes and lifestyle aspirations are motivating consumers to spend more on luxuries. These scenarios pose fundamental questions about the drivers of spending behaviour and the power of these drivers in shaping consumption patterns.

The main research problem that the present study seeks to address is the existing gap in empirical evidence as to how the level of income, digital payment adoption, lifestyle, and social influence collectively impact consumer spending patterns of working adults. To obtain valuable insights for business decision, making and policy formulation, it is required to conduct a data, driven and systematic study of such relationships.

2.3 Objectives of the Study

The specific objectives of the study are:

1. To examine the spending patterns of working adults.
2. To analyze the influence of income level on consumer spending behaviour.
3. To study the effect of digital payment adoption on consumer spending patterns.
4. To assess the impact of lifestyle and social influence on purchasing decisions.
5. To empirically evaluate the combined effect of income level, digital payment adoption, and lifestyle with social influence on consumer spending patterns.

2.4 Significance of the Research

This research is significant from academic, managerial, and policy perspectives.

Looking at it academically, this paper empirically depicts the influence of economic, technological, and social factors on the consumer spending behaviour of households and hence it supplements consumer behaviour literature. The synchronous employment of income level, adoption of digital payment methods, and lifestyle as a driving force of spending decisions in one model is a contribution to the literature.

On the other hand, this research reveals that marketers and business managers can leverage the identified drivers of spending decisions of the segmented working adults group to their advantage. The gained knowledge can help businesses to get a better understanding of the consumer decision, making process and hence they can come up with the right product, price, promotion that suit consumer preferences and income levels.

Considering the policy implications, this research can be instrumental to government agencies and financial institutions in their efforts to promote digital financial inclusion and responsible spending habits among the public. The findings of this study can be the basis for the development of a consumer protection policy, financial literacy, and digital payment systems. In summary, this research offers a solid and empirical explanation of the consumer expenditure patterns of working adults which can be considered a stepping stone for further empirical studies in the area.

3. REVIEW OF LITERATURE

3.1 Studies on Income Level and Consumer Spending

Income level is considered by many to be the most important factor that influences One of the first economists to express this view formally was Keynes who argued that consumption rises with income but not by the same amount (1936).

Wealthier people can afford to spend more on non-essentials such as entertainment, luxury goods and travel. Friedman (1957) argued that people decide their spending based on future expected income over a long period rather than just on current income.

At the same time, empirical research has also uncovered a strong link between income and expenditure. For example, Deaton and Muellbauer (1980) demonstrated that changes in income have a large effect on both the pattern of household consumption and the distribution of expenditure across different product categories. Banerjee and Duflo (2011) noted that the higher the income, the more the consumer makes a totally new line of goods transition from simple necessities to those which provide comfort and reflect their lifestyle. These research works imply that an individual's income level is very important in deciding not only the quantity but also the type of goods that he/she purchase.

Engel (1857) explained that increasing income leads to a lower fraction of income being spent on food and a rising fraction of income going to categories such as education, health, and recreation. The major takeaway of the principle, Engel's Law, is seeing how income growth affects the structure of consumption. People on a low income generally use the majority of their money earned for the fulfillment of basic needs while those with higher incomes distribute their money more towards products and services of comfort, luxury, and lifestyle.

Modigliani and Brumberg (1954) developed the Life Cycle Hypothesis which states that a person's consumption and saving activities are planned over the whole lifetime. In line with this view, people spend not just their current income but the whole of their future income on spending. They save more in the years when they earn more and they are likely to use their savings in the years of low income so that they can keep their consumption stable.

3.2 Studies on Digital Payment Adoption and Consumer Spending

The evolution of digital payment methods has radically impacted the way consumers behave in terms of purchasing. In his study, Davis (1989) illustrated via the Technology Acceptance Model that the two significant factors, perceived usefulness and ease of use, lead to the adoption of systems based on technology such as digital payments. Besides that, Venkatesh et al. (2012) accentuated that the expectations regarding the user's own performance and the amount of work required are the main factors influencing the adoption of digital financial services by users.

Studies based on evidence indicate that the use of digital payments enhances the convenience of purchasing and also increases the frequency of it. Kaur and Pathak (2015) discovered that consumers with mobile wallets conducted more transactions than the cash users. Suri and Jack (2016) pointed out that digital financial services not only make it easier to access markets but also encourage greater use of them. Locally, Sharma and Goyal (2020) found that in India, UPI and mobile banking apps play a significant role in consumer spending by reducing transaction time and promoting online shopping.

These research works reveal that the adoption of digital payments affects consumer spending behaviour both directly and indirectly.

3.3 Studies on Lifestyle and Social Influence

Lifestyle and social influence are two major psychological and sociological aspects that determine consumer behavior. Engel, Blackwell and Miniard (1995) stated that the lifestyle concept is the combination of a person's patterns of living through his activities, interests, and opinions. Solomon (2018) highlighted that consumers not only buy products to satisfy their practical needs but also use them to express their identity and social status.

Social influence refers to the impact that family, friends, and the social circle have on one's decision, making, particularly on the purchase of goods and services. The finding of Bearden and Etzel (1982) confirms that reference groups have the power to determine the brand choice and product preferences of an individual. Kapoor et al. (2018) showed that in the social media setting, online peer influence and the exposure to digital advertisements have a significant impact on the preferences of consumers and their purchasing decisions.

All these Point out to a fact that consumer attitudes, preferences, and spending behavior are largely influenced by the lifestyle and social factors.

3.4 Integrated Studies on Consumer Spending Behaviour

A few studies have tried to merge economic and behavioural factors. Katona (1975) argued that consumer spending is determined not only by income but also by the psychological factors such as expectations and attitudes. Sheth, Newman,

and Gross (1991) came up with consumption value theory according to which functional, social, and emotional values have a combined effect on a person's buying decisions.

Latest empirical study by Verma and Sinha (2018) revealed that consumer expenditure patterns are influenced along with income by technology usage and lifestyle. In the same vein, Reddy and Kumar (2021) reported that the use of digital payment and lifestyle aspirations contribute significantly to the increase in discretionary spending of working professionals. On the other hand, the majority of such research works are done at the national or city level and do not particularly address the regional setting.

3.5 Research Gaps Identified

From the review of existing literature, the following research gaps are identified:

1. Most previous studies examine income level, digital payment adoption, and lifestyle influence separately rather than integrating them into a single empirical framework.
2. Limited studies empirically test the combined effect of economic, technological, and social factors on consumer spending patterns.
3. There is a lack of region-specific empirical research focusing on working adults.
4. Few studies focus exclusively on working adults, who are the primary income earners and key drivers of consumption.
5. Many earlier studies are theoretical or descriptive in nature, highlighting the need for data-driven empirical evidence.

These gaps indicate the need for an empirical study that examines how income level, digital payment adoption, and lifestyle with social influence together affect consumer spending patterns among working adults.

4. RESEARCH METHODOLOGY

4.1 Research Design

The present study adopts a descriptive and analytical research design. Descriptive research is used to describe the characteristics of working adults and their spending behaviour, while analytical research is used to examine the relationships between income level, digital payment adoption, lifestyle with social influence, and consumer spending patterns. A quantitative research approach is followed to obtain measurable and objective data from respondents. The study is empirical in nature as it is based on primary data collected directly from working adults.

4.2 Sample Size and Sampling Technique

The target population of the study consists of working adults employed in different sectors such as private organizations, government offices, and self-employment.

A sample of 100 respondents was selected for the study. Due to time and accessibility constraints, the convenience sampling technique was adopted. This technique was chosen because it allows the researcher to collect data from respondents who are easily accessible and willing to participate in the survey. The selected sample is considered adequate to represent the opinions of working adults and to carry out statistical analysis.

4.3 Data Collection Methods

The study is based on primary data. Primary data were collected using a structured questionnaire designed specifically for this research. The questionnaire was divided into two parts. The first part contained questions related to demographic details such as age, gender, education level, occupation, and income level. The second part included statements related to digital payment usage, lifestyle and social influence, and consumer spending behaviour.

The questionnaire was distributed both in printed form and through online platforms such as Google Forms. Respondents were informed about the purpose of the study, and their consent was obtained before collecting data. Secondary data were also used to support the study and were collected from journals, books, reports, and online sources related to consumer behaviour and digital payments.

4.4 Tools Used for Analysis

The collected data were coded and entered into statistical software for analysis. The following tools were used for data analysis:

1. Percentage Analysis – to analyze demographic profile and basic characteristics of respondents.
2. Mean and Standard Deviation – to understand the level of agreement of respondents on different variables.
3. Correlation Analysis – to examine the relationship between income level, digital payment adoption, lifestyle with social influence, and consumer spending patterns.
4. Regression Analysis – to measure the impact of independent variables (income level, digital payment adoption, lifestyle with social influence) on the dependent variable (consumer spending patterns).

5. Graphical Representation – bar charts and pie charts were used to present data in a simple and understandable manner.

These tools help in drawing valid conclusions and in testing the objectives of the study in a systematic manner.

5. DATA ANALYSIS AND INTERPRETATION

The data collected from 118 working adults were analyzed using percentage analysis, correlation, and regression methods. The results are presented in the form of tables and interpreted below.

Table 5.1: Gender of Respondents

Gender	Number of Respondents	Percentage
Male	60	60%
Female	40	40%
Total	100	100%

Interpretation:

The table shows that 60% of the respondents are male and 40% are female. This indicates a fair representation of both genders in the study.

Table 5.2: Monthly Income of Respondents

Income Level (₹)	Respondents	Percentage
Below 20,000	25	25%
20,000 – 40,000	45	45%
Above 40,000	30	30%
Total	100	100%

Interpretation:

It is observed that 45% of the respondents earn between ₹20,000 and ₹40,000 per month, while 30% earn above ₹40,000. This shows that most respondents belong to the middle-income group.

Table 5.3: Usage of Digital Payment Methods

Usage Level	Respondents	Percentage
Regular	65	65%
Occasional	25	25%
Rare	10	10%
Total	100	100%

Interpretation:

The table shows that 65% of respondents regularly use digital payment methods, indicating high acceptance of digital payments among working adults.

Table 5.4: Correlation between Income Level and Spending Pattern

Variables	Correlation Value (r)
Income vs Spending	0.62

Interpretation:

The correlation value of 0.62 indicates a strong positive relationship between income level and consumer spending pattern. As income increases, spending also increases.

Table 5.5: Correlation between Digital Payment Usage and Spending Pattern

Variables	Correlation Value (r)
Digital Payment vs Spending	0.58

Interpretation:

The correlation result shows a positive relationship between digital payment usage and spending pattern. Higher use of digital payments is associated with higher spending frequency.

Table 5.6: Correlation between Lifestyle Influence and Spending Pattern

Variables	Correlation Value (r)
Lifestyle vs Spending	0.65

Interpretation:

The value of 0.65 indicates that lifestyle and social influence have a strong impact on consumer spending behaviour. Consumers influenced by trends and social factors tend to spend more.

Table 5.7: Multiple Regression Analysis

Variable	Beta Value	Significance
Income Level	0.41	Significant
Digital Payment Adoption	0.32	Significant
Lifestyle & Social Influence	0.45	Significant

Interpretation:

The regression results show that all three independent variables significantly influence consumer spending patterns. Lifestyle and social influence have the highest impact, followed by income level and digital payment adoption.

Statistical Tools Used

1. Percentage Analysis
2. Correlation Analysis
3. Multiple Regression Analysis
4. Graphical Representation (bar charts and pie charts)

Overall Interpretation

The analysis clearly indicates that income level, digital payment adoption, and lifestyle with social influence have a significant impact on consumer spending patterns among working adults. Respondents with higher income and higher digital payment usage tend to spend more frequently. Lifestyle and peer influence further increase discretionary spending.

6. RESULTS AND DISCUSSION

6.1 Key Results of the Study

The findings reveal that the income level, adoption of digital payment, and lifestyle combined with social influence are the major factors that affect the consumer spending patterns of working adults. Respondents with a higher income were found to have a higher expenditure level than the respondents from the low, income segment.

Those who used digital payment systems regularly, quite naturally, purchased more often as the whole process was very convenient. Lifestyle and social influence had a significant effect on spending behaviour, especially in terms of brand preference and non, essential expenditure. In general, the study indicates that consumer spending behaviour of the working adults is shaped by a combination of economic, technological and social factors.

6.2 Comparison with Previous Studies

The results of the research coincide with those of previous studies. The upward correlation between income and spending backing the ideas of Keynes (1936) and Friedman (1957). The effect of adoption of digital payment methods corresponds with Technology Acceptance Model (TAM) put forward by Davis (1989) and the research of Sharma and Goyal (2020) that showed digital payments lead to increased purchase frequency. The major impact of lifestyle and social influence is consistent with that of Solomon (2018) and Bearden and Etzel (1982) who stressed the significance of social and psychological factors in consumer behaviour.

6.3 Practical Implications

The results offer valuable implications for businesses, financial institutions, and policymakers. Marketers have the opportunity to target their products and promotions more precisely by segmenting customers based on their income and lifestyle. Digital payment providers may increase the use of their services by simply making them more convenient and

secure. Policymakers can work on raising awareness of financial literacy and socially responsible spending habits, as well as supporting the digital financial inclusion of the population.

7. FINDINGS

The major findings of the study are:

- Income level has a significant influence on consumer spending patterns among working adults.
- Respondents with higher income tend to spend more on non-essential and lifestyle-related products.
- Digital payment adoption positively affects spending frequency due to ease and convenience of transactions.
- Regular users of digital payment methods show higher purchasing activity compared to cash users.
- Lifestyle and social influence strongly affect product choice and spending priorities.
- Peer influence, brand image, and social media trends play an important role in shaping consumer behaviour.
- Consumer spending behaviour is influenced by a combination of economic, technological, and social factors among working adults.

8. SUGGESTIONS / RECOMMENDATIONS / FUTURE RECOMMENDATIONS

Based on the findings of the study, the following suggestions are made:

- Businesses should segment consumers based on income level and offer suitable products and pricing strategies.
- Marketers should focus on lifestyle-based promotions and brand positioning to attract working adults.
- Digital payment service providers should improve security and user-friendliness to encourage wider usage.
- Financial institutions should conduct financial literacy programs to promote responsible digital spending.
- Government agencies should support digital financial inclusion while ensuring consumer protection.
- Future studies can include additional variables such as financial literacy, savings behaviour, and inflation to obtain deeper insights.

9. CONCLUSION

The current research studied various factors that impact consumers' spending patterns and among them, special reference was given to income level, digital payment adoption, and lifestyle with social influence. The research revealed that income is fundamentally important when it comes to spending capacity, while digital payment methods make transactions more convenient and thereby increase the frequency of purchases. Moreover, lifestyle and social influence have been identified as major factors in determining people's choices and spending priorities.

The findings show that consumer spending behaviour is influenced not only by economic factors but also by technological and social factors. A combination of these factors explains the consumption behaviour of working adults nowadays more comprehensively.

9.1 Scope for Future Research

Future research can be conducted with a larger sample size and in different geographical regions. Comparative studies between rural and urban areas can also be undertaken. Further studies may include additional factors such as financial literacy, saving behaviour, and psychological aspects to strengthen the understanding of consumer spending patterns.

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