International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online)
Vol. 14, Issue 1, pp: (611-620), Month: April 2026 - September 2026, Available at: www.researchpublish.com

Beyond Cashless Convenience: The Psychological Impact of Plastic Money on Impulse Buying and Financial Self-Control Among Urban Consumers in Southern Districts of Tamil Nadu

Elakkiya M [1*], Dr.N.Bharathi [2]

[*1] Research Scholar, PG & Research Department of Commerce, Alagappa Government Arts College, Karaikudi, TN, India.

[2] Associate Professor, PG & Research Department of Commerce, Alagappa Government Arts College, Karaikudi, TN, India.

DOI: https://doi.org/10.5281/zenodo.20764549

Published Date: 19-June-2026

Abstract: **The advent of cashless payment methods has resulted in changes in consumer purchasing behavior, leading to the use of plastic money becoming an inevitable part of today's financial transactions. The current study attempts to understand the relationship between plastic money usage and impulse buying behavior along with financial self-control in urban consumers based in the Southern districts of Tamil Nadu. In this regard, a quantitative approach has been chosen and primary data were collected from 590 urban consumers with the help of a well-structured questionnaire. The proposed conceptual framework has been empirically analyzed using Structural Equation Modeling (SEM). The findings suggest that the use of Plastic Money significantly and positively affects Psychological Gratification ($\beta = 0.719$, $p < 0.001$) and Impulse Buying ($\beta = 0.444$, $p < 0.001$) while having a significant negative effect on Financial Self-Control ($\beta = -0.291$, $p < 0.001$). Psychological Gratification has a significant positive effect on Impulse Buying ($\beta = 0.368$, $p < 0.001$) and a significant negative effect on Financial Self-Control ($\beta = -0.158$, $p < 0.001$). Impulse Buying also has a significant negative impact on Financial Self-Control ($\beta = -0.433$, $p < 0.001$). While Financial Literacy positively contributes to Financial Self-Control ($\beta = 0.310$, $p < 0.001$), it does not have any effect on Impulse Buying ($\beta = 0.037$, $p > 0.05$). Likewise, neither Plastic Money Usage nor Psychological Gratification had any significant effect on Financial Literacy. This research has contributed to the academic understanding of the effects of using plastic money in consumer behavior, behavioral finance, and electronic payments by showing that there is more to the use of plastic money than mere transactional benefits – namely, emotional reactions, impulse buying, and self-regulating one's financial activities. The results are consistent with the premises of Pain-of-Paying Theory and Self-Regulation Theory, thus proving the importance of psychological determinants in financial decisions. Moreover, this research has certain implications for policymakers and financial professionals when it comes to financial education programs aimed at behavioral financial literacy.**

Keywords: **Plastic Money Usage, Psychological Gratification, Financial Literacy, Impulse Buying, Financial Self-Control, Cashless Payments, Consumer Behavior.**

I. INTRODUCTION

The rapid development of technology has completely transformed the way customers interact through financial transactions in various countries around the world. For example, in developing countries like India, there has been a considerable shift in consumer payment behavior in the last decade because of advancements in technology and government's efforts towards

creating a cashless economy [1]. Increased adoption of credit cards, debit cards, prepaid cards, contactless payment methods, and plastic money associated with the Unified Payments Interface (UPI) is leading to the formation of a cashless society in urban India [2]. Various initiatives, including Digital India campaign, demonetization, and building payment infrastructure, encourage citizens to pay through electronic payment systems and use plastic money for everyday transactions [3]. This process of change creates new challenges for businesses and individuals as the current system has improved payment mechanisms' speed, effectiveness, and convenience. However, while the adoption of plastic money is essential for financial innovations and improvements, the behavioral aspect of this phenomenon should not be overlooked. As many researchers point out, the main issue with electronic transactions is the loss of sensations related to spending money and thus the decrease in the so-called pain of paying [4]. As shown in several studies, plastic money usage decreases the payment salience that results in a weaker awareness of spending [5]. Under circumstances when people are exposed to intense marketing and easily get access to credit in their mobile applications, consumers tend to make purchases spontaneously and emotionally [6]. Therefore, the increase in plastic money usage can be regarded as a risk factor that leads to a growing number of debt, compulsive behaviors, and lower financial self-control in urban populations [7]. One of the most noticeable effects related to impulse purchasing has been described extensively in academic literature [8]. The findings show that customers often purchase products without thinking about the consequences because they do not experience any psychological discomfort due to a lack of tangible financial realization [9]. Additionally, financial self-control, which is an individual's ability to regulate his/her own spending behaviors and resist immediate temptations [10], may suffer because of electronic payment system's convenience. In particular, the implementation of contactless payment, one-click purchasing and reward-based credit systems enhances the emotional gratification process and impulse spending motives [11]. Overall, the behavioral side of this process remains insufficiently researched in Indian urban settings.

The existing study on digital payment system has been more focussed on technological adaptation, ease of transaction, quality of service, security perception, and consumer acceptance model [12]. While the literature is useful to understand the various advantages of cashless payment systems from operational and technological perspectives, little attention has been paid to exploring the psychological impact of plastic money and related triggers that drive urban consumers' purchasing decisions [13]. In particular, there has been a relative paucity of empirical evidence regarding the influence of low visibility payments on self-control depletion, emotional expenditure behaviour, and impulsive buying [14,15]. Also, a majority of the behavioural finance studies conducted in India focus on the urban population of metropolitan cities or nationwide generalisations; thereby ignoring the specific context and emerging dynamics of consumption culture in Southern district regions of Tamil Nadu that are undergoing a phase of rapid urbanisation and financial access [16]. Hence, the current study seeks to bridge the above gap by examining the psychological impact of plastic money on impulse buying behaviour and self-control in the specific context of urban consumers from Southern Tamil Nadu. Therefore, the following research questions are addressed: How does the usage of plastic money affect impulse buying behaviour? Do the usage of plastic money lower financial self-control among urban consumers? What are the psychological factors that trigger spending behavior? How does financial literacy influence behavioural outcomes? Consequently, the major goal of the proposed research is to investigate the psychological impacts of plastic money usage on impulse buying and financial self-control. The specific objectives of the research include analysing the influence of plastic money on impulse buying, assessing its effects on financial self-control, evaluating the mediating effect of psychological gratification, examining the moderation effect of financial literacy, and developing an integrated behavioral-finance framework. The scope of the study is restricted to the urban consumer population in selected Southern districts of Tamil Nadu using debit cards, credit cards, prepaid cards, and smart payment cards regularly in their daily transactions.

II. REVIEW OF LITERATURE

Plastic money entails those means of payments that facilitate electronic-based transactions without any physical handling of money by consumers. Plastic money has revolutionized the consumer payment system by making transactions fast, convenient, and accessible [17]. Technological innovation in finance, banking, and e-commerce during the last twenty years has significantly enhanced the use of debit cards, credit cards, prepaid cards, and contactless methods of payments in various nations around the globe [18]. In India, the growth in the spread of banking services and the use of mobile devices in electronic financial transactions has boosted the usage of plastic money by urban consumers [19]. The debit cards have been the most common means of using plastic money because of their direct connection to customers' bank accounts [20]. Transactions conducted via debit cards provide fewer chances for consumers to see any instant outflow of cash as compared to the use of cash payments, which might impact expenditure behavior [21]. Even though the use of plastic money is safer for consumers than carrying money in hand, research shows that electronic transactions can lead people to increase their

spending because of reduced transaction visibility [22]. Credit cards constitute yet another prevalent category of plastic money and are closely related to deferred payments systems and flexible consumption [23]. The existing literature on behavioural finance indicates that the use of credit cards stimulates people to spend more due to the dissociation between consumption activities and the payment process [24]. The delay mechanism employed in this type of payment can diminish spending self-control and encourage people to make spontaneous purchases [25]. Rewarding programs, cashback schemes and easy installment options associated with using credit cards foster hedonistic and emotional purchasing habits [26]. Contactless payment technologies, involving tap and pay systems and NFC transactions, add one more layer of ease to online payment systems [11]. They make transactions quicker and reduce the effort required for their completion and, thus, promote frequent impulse buying [21]. Behavioral economists claim that contactless payment systems minimize even further the "pain of paying" for purchases as there is no physical action of paying involved as opposed to paying for something with cash [27].

Impulse buying behavior can be defined as an unconsidered decision taken for buying purposes, which is instantaneous and involves minimal cognitive evaluation processes [28]. This behavior is mainly motivated by emotional responses, situational stimulus, and hedonism [29]. Impulse buying has become widespread in recent years, especially among urban consumers because of the current consumer environment with digital marketing and seamless payment system [30]. Emotional purchasing decisions represent the key factor underlying impulse buying behavior. Consumers often make impulsive purchases in response to the need to fulfill their emotions of the moment like excitement, stress relief, social validation, and pleasure-seeking [31]. Emotional consumption behavior is also facilitated by digital payment systems since consumers encounter less psychological resistance when making online purchases compared to when using cash [32]. Electronic payment systems make it easier for people to make quick decisions about purchasing items without thinking about their long-term financial implications. Another aspect that represents an essential part of impulse buying behavior is hedonic consumption. It entails the process of consuming products or services for the sake of pleasure, gratification, fantasy and experiential fulfillment rather than fulfilling one's needs [33]. Prior studies indicate that consumers using credit cards and contactless payment methods are more likely to engage in hedonic shopping due to perceived spending flexibility and reduced spending visibility [34]. The emotional stimulation experienced in the shopping mall environment, in addition to online commerce and marketing environments on social media sites, can add yet another dimension to these hedonic tendencies [35]. Instant gratification is also another factor that influences impulsive buying behavior. The desire for instantaneous fulfillment usually becomes overpowering in relation to any other rational thinking when a person makes a purchase [36]. Instant gratification can be facilitated in digital payment systems, where there is no delay in any process of making a payment transaction [37].

Financial self-control entails an individual’s ability to manage his/her expenditure, handle finances responsibly, and avoid excessive expenditure for the sake of achieving future financial goals [21]. It is a crucial behavioural finance construct that affects saving practices, debt management, budgeting practices, and financially responsible decisions [13]. In cashless consumer ecosystems, financial self-control is particularly crucial since digital modes of spending become easier and accessible. One of the essential aspects of financial self-control is budget discipline. Consumers who are well-versed in budgeting practices can keep tabs on their spending and prioritise essential spending to maintain financial stability [18]. However, the use of electronic systems of payments might diminish budgeting since such systems lack physical experience of losing money [9, 14]. The lack of such experience means that people would not be able to monitor their spending behaviour accurately. Delayed gratification is another key element of financial self-control. This aspect of financial self-control entails an individual’s ability to forgo current consumption wishes for the sake of achieving future financial benefits [22]. Behavioural economists claim that plastic payment systems, including credit cards and buy now and pay later schemes, diminish the effects of delayed gratification [38].This tendency may contribute to overspending, debt accumulation, and reduced financial discipline among urban consumers. Plastic money behaviour can be comprehended through various psychological theories explaining how customers are influenced while making digital transactions. One of the most frequently discussed aspects is the lower “pain of payment.” This term describes the decreased level of psychological stress felt when making payments using plastic money compared to cash payments [39]. Another psychological theory associated with the use of plastic money is spending dissociation. Digital transactions make customers lose consciousness of the spending process, separating their acts from the consequences financially [40]. Spending dissociation leads to impulse buying and poor post-purchase analysis [41]. When more automation is implemented into digital payment systems, consumers become unaware of the total amount spent.

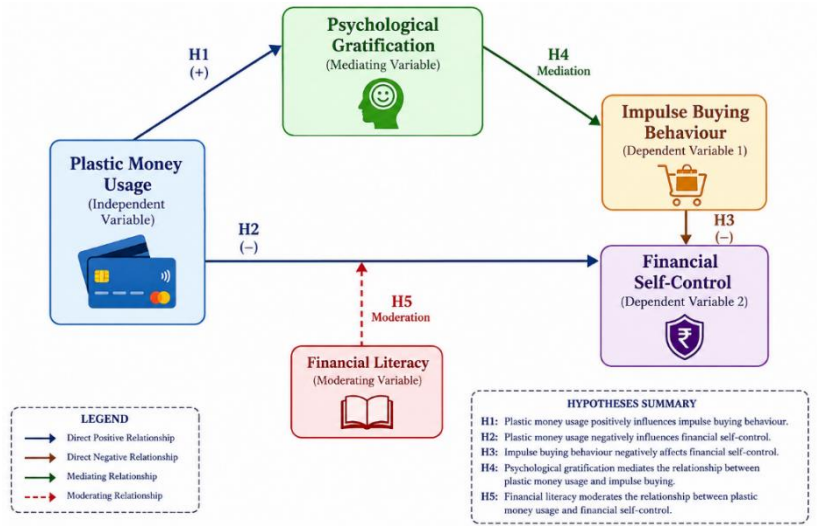


Fig.1 Proposed Hypothesized Model

III. RESEARCH METHODOLOGY

The research uses both descriptive and explanatory approaches in designing the study. In descriptive approach, the study will concentrate on recognizing and explaining the behavior of consumers with regard to plastic money payment system used by urban consumers in Southern Tamil Nadu including Madurai, Tirunelveli, Kanyakumari, Thoothukudi, Dindigul, Theni, Virudhunagar, Ramanathapuram, Sivagangai, and Tenkasi. The above areas have been selected as the research setting owing to its growing urbanization levels, well-developed banking institutions, increasing adoption of digital payment system and involvement of consumers in cashless financial transactions. Urban consumers using plastic money payment systems are identified as the target population. The target group involves people that use debit cards, credit cards, prepaid cards, and contactless smart payment cards for making retail purchases, online transactions, utilities payments, and many other daily financial transactions. Stratified sampling coupled with multi-stage sampling will be employed by the research study to obtain representative samples and to reduce sampling bias. The first stage involves choosing the selected Southern districts of Tamil Nadu. The next stage will involve choosing urban centers from the selected districts depending on their population densities and adoption rates for digital payments. Random selection of respondents will take place within the chosen urban centers. The sample size for the study is 590 people. This study will employ primary data obtained from questionnaire surveys. Structural Equation Modeling will be applied to analyze the data.

IV. RESULTS AND DISCUSSION

Table 1 shows the demographic details of the 590 respondents who participated in the research. The demographic analysis helps to identify the makeup of the sample as well as the features of urban consumers of plastic money payment system in the Southern parts of Tamil Nadu state. The analysis of the gender distribution shows that more females (71.2%) took part in the survey compared to males (28.8%). It means that urban consumers of plastic money in Southern Tamil Nadu are predominantly females who take more interest in this type of payment system. More than half of the respondents belong to the age group 25 – 34 years (46.3%), which suggests that the main target audience in this region is young people. As for the educational level of the sample, the largest groups of undergraduates (23.7%), postgraduates and other education level (23.4% each) have been identified. As for the marital status of the respondents, 34.4% were married and 33.1% single. In regard to income, more respondents belong to high income bracket (38.6%).

TABLE 1: DEMOGRAPHIC PROFILE OF RESPONDENTS (N = 590)

Demographic Variable	Category	Frequency	Percentage (%)	Cumulative Percentage (%)
Gender	Male	170	28.8	28.8
	Female	420	71.2	100.0
Age	Below 25 Years	57	9.7	9.7
	25–34 Years	273	46.3	55.9
	35–44 Years	180	30.5	86.4

	45–55 Years	80	13.6	100.0
Educational Level	School Level	60	10.2	10.2
	Diploma	114	19.3	29.5
	Under Graduate	140	23.7	53.2
	Post Graduate	138	23.4	76.6
	Others	138	23.4	100.0
Marital Status	Single	195	33.1	33.1
	Married	203	34.4	67.5
	Others	192	32.5	100.0
Income Range	Low	145	24.6	24.6
	Medium	217	36.8	61.4
	High	228	38.6	100.0

Source: Primary Data

The demographic characteristics of the respondents (Fig.2) suggest varied representation of urban customers of Southern Districts of Tamil Nadu state. The distribution of the male-female respondents (Mean = 1.71; SD = 0.453) implies that a greater number of the respondents belongs to either males or females, where category 2 constitutes a majority. Moreover, the distribution of the respondents by age (Mean = 2.48, SD = 0.846) shows that the majority of the respondents are young people, meaning that they are active consumers of goods and services and are often engaged in cashless transactions.

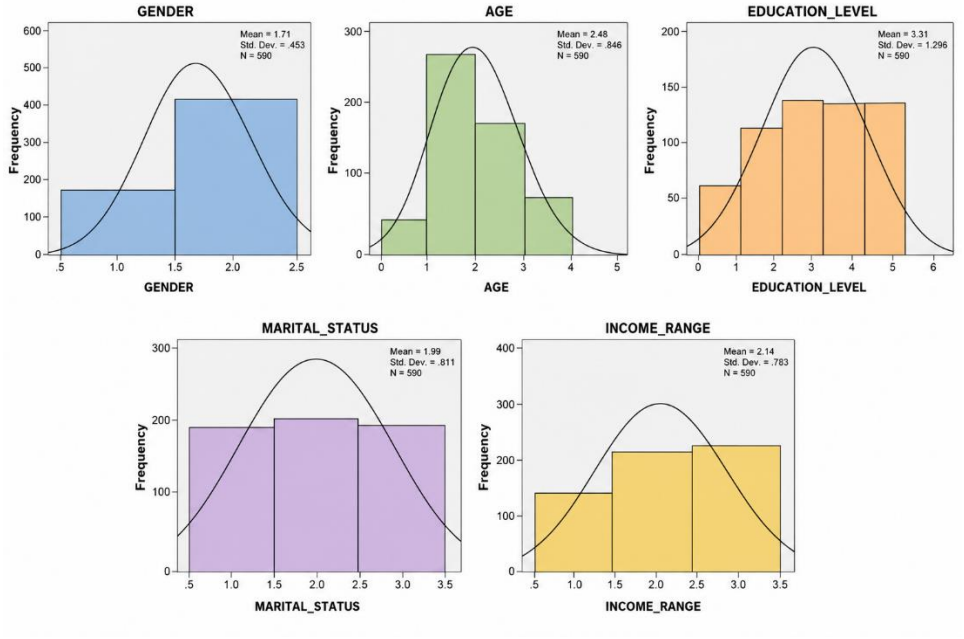


Fig. 2. The demographic characteristics of the respondents

In terms of the educational level (Mean = 3.31, SD = 1.296), the majority of the respondents hold undergraduate and post-graduate degrees. Also, the distribution by marital status (Mean = 1.99, SD = 0.811) seems to imply equal representation of the various marital categories among the respondents, which increases the validity of the results. Likewise, income range (Mean = 2.14, SD = 0.783) of the majority of the respondents lies in lower-middle and middle levels. All things considered, the sample includes mostly educated, economically active young to middle-aged urban customers that fit the purpose of the study.

TABLE 2. STANDARDIZED ESTIMATES-REGRESSION WEIGHTS

Measured Variables		Observed Variables	Estimate	S.E.	C.R.	P
Psychological_Gratification	<---	Plastic_Money_Usage	.719	.028	25.109	***
Financial_Literacy	<---	Plastic_Money_Usage	.005	.072	.087	.930
Financial_Literacy	<---	Psychological_Gratification	.010	.072	.171	.864
Impulse_Buying	<---	Psychological_Gratification	.368	.044	9.446	***
Impulse_Buying	<---	Plastic_Money_Usage	.444	.044	11.395	***

Measured Variables		Observed Variables	Estimate	S.E.	C.R.	P
Impulse_Buying	<---	Financial_Literacy	.037	.025	1.364	.173
Financial_Self_Control	<---	Impulse_Buying	-.433	.039	-12.951	***
Financial_Self_Control	<---	Plastic_Money_Usage	-.291	.046	-8.328	***
Financial_Self_Control	<---	Psychological_Gratification	-.158	.045	-4.664	***
Financial_Self_Control	<---	Financial_Literacy	.310	.024	14.104	***

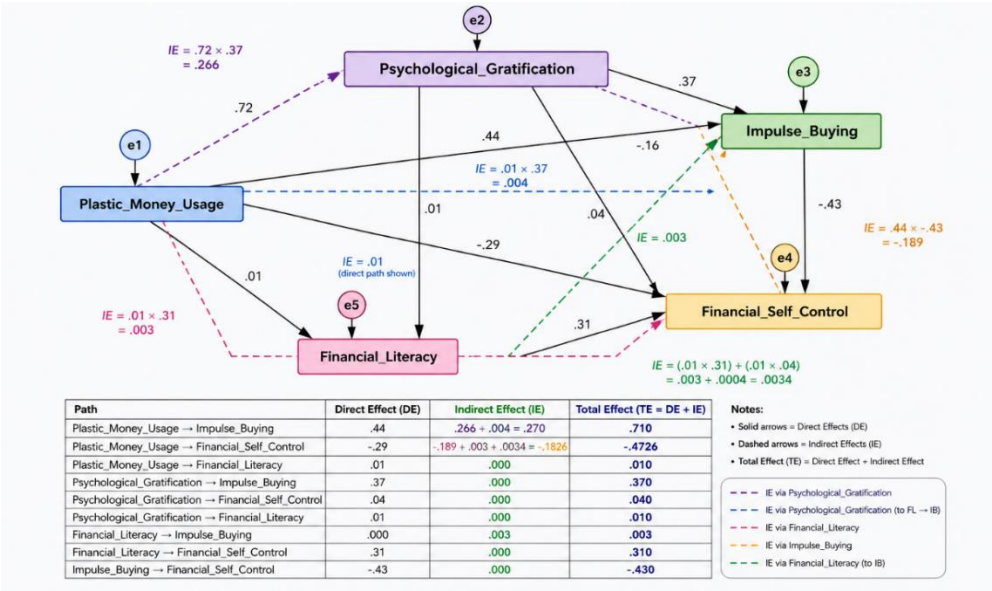
From the table above on standardized regression weights, it shows that Plastic Money Usage (H1) has a significant positive effect on Psychological Gratification ($\beta = 0.719$, C.R. = 25.109, $p < 0.001$). Thus, hypothesis one (H1) is accepted. It can be deduced that there is a positive correlation between psychological gratification and usage of plastic money; customers that use debit and credit cards derive high levels of gratification such as convenience and pleasure when conducting purchase transactions through the means of plastic money. On the other hand, the results show that Plastic Money Usage does not have a statistical relationship with Financial Literacy (H2) ($\beta = 0.005$, C.R. = 0.087, $p = 0.930$). Hence, H2 is not supported. It means that the use of plastic money by itself cannot increase financial awareness among the customers. In addition, it seems that financial literacy depends on education and training but not on payment methods. In relation to hypothesis three (H3), Psychological Gratification does not have a statistical relationship with Financial Literacy ($\beta = 0.010$, C.R. = 0.171, $p = 0.864$). Hence, H3 is rejected. The positive impact of Psychological Gratification (H4) on Impulse Buying is very high ($\beta = 0.368$, C.R. = 9.446, $p < 0.001$). Consequently, H4 is proved. In other words, pleasant feelings that occur due to transactions by plastic money lead to impulsive and unplanned purchase of goods and services. People who derive more pleasure from plastic money transaction are more inclined towards impulsive purchasing behavior. Another hypothesis, concerning the impact of Plastic Money Usage (H5) on Impulse Buying ($\beta = 0.444$, C.R. = 11.395, $p < 0.001$) is positive and statistically significant. Consequently, H5 is accepted. This indicates that cashless transactions diminish mental pain of paying for products and increase likelihood of unplanned purchases among plastic money users.

TABLE 3. HYPOTHESIS TESTING AND INTERPRETATION OF STRUCTURAL MODEL RESULTS

Hypothesis	Structural Path	Estimate (β)	C.R.	P-value	Result
H1	Plastic Money Usage → Psychological Gratification	0.719	25.109	***	Supported
H2	Plastic Money Usage → Financial Literacy	0.005	0.087	0.930	Not Supported
H3	Psychological Gratification → Financial Literacy	0.010	0.171	0.864	Not Supported
H4	Psychological Gratification → Impulse Buying	0.368	9.446	***	Supported
H5	Plastic Money Usage → Impulse Buying	0.444	11.395	***	Supported
H6	Financial Literacy → Impulse Buying	0.037	1.364	0.173	Not Supported
H7	Impulse Buying → Financial Self-Control	-0.433	-12.951	***	Supported
H8	Plastic Money Usage → Financial Self-Control	-0.291	-8.328	***	Supported
H9	Psychological Gratification → Financial Self-Control	-0.158	-4.664	***	Supported
H10	Financial Literacy → Financial Self-Control	0.310	14.104	***	Supported

The impact of Financial Literacy on Impulse Buying (H6) is insignificant ($\beta = 0.037$, C.R. = 1.364, $p = 0.173$). Hence, H6 is not proved. In spite of their high level of financial literacy, people cannot avoid impulsive actions. Impulse Buying (H7) has a statistically significant negative influence on Financial Self-Control ($\beta = -0.433$, C.R. = -12.951, $p < 0.001$). Hence, Hypothesis H7 is confirmed. In other words, people who exhibit more impulsive purchasing habits tend to have poorer control over their expenditures, sticking to their budget plans and engaging in more disciplined financial behaviors. Plastic Money Usage (H8) has a negative influence on Financial Self-Control ($\beta = -0.291$, C.R. = -8.328, $p < 0.001$). Thus, Hypothesis H8 is confirmed. It means that frequent usage of cards as a payment option can contribute to less restrained spending, and consumers can easily exceed their planned expenditure limits. Psychological Gratification (H9) significantly influences Financial Self-Control negatively ($\beta = -0.158$, C.R. = -4.664, $p < 0.001$). Thus, Hypothesis H9 is confirmed. It means that psychological gratification resulting from using plastic money as a payment method can make customers spend money more recklessly and make poor financial decisions. Financial Literacy (H10) has a strong positive impact on Financial Self-Control ($\beta = 0.310$, C.R. = 14.104, $p < 0.001$). Hence, Hypothesis H10 is confirmed (Table 3).

One of the most important insights from this research is the existence of a strong positive correlation between the use of plastic money and psychological gratification ($\beta = 0.719$, $p < 0.001$). This observation is consistent with the theory of Pain-of-Paying, which states that card payments eliminate or mitigate the momentary psychological pain associated with the act of spending. The ease and efficiency of card-based payments seem to result in a certain level of customer satisfaction and perception of purchase autonomy. In regard to quickly developing localities of Tamil Nadu, where digital payment facilities have become much more common due to demonetization policies and development of new fintech services, customers could perceive card-based payments as being modern and prestigious. In addition, the use of plastic money ($\beta = 0.444$, $p < 0.001$) as well as psychological gratification ($\beta = 0.368$, $p < 0.001$) were both positively correlated with increased impulsive buying. Such an observation is consistent with other research that shows the reduction of consumers' expenditure awareness in cashless societies and contributes to impulsive purchases. From the point of view of behavioral economics, payments made via cards separate decision-making from consequences, thus leading to impulsive actions.



Path	Direct Effect (DE)	Indirect Effect (IE)	Total Effect (TE = DE + IE)
Plastic_Money_Usage → Impulse_Buying	.44	.266 + .004 = .270	.710
Plastic_Money_Usage → Financial_Self_Control	-.29	-.189 + .003 + .0034 = -.1826	-.4726
Plastic_Money_Usage → Financial_Literacy	.01	.000	.010
Psychological_Gratification → Impulse_Buying	.37	.000	.370
Psychological_Gratification → Financial_Self_Control	.04	.000	.040
Psychological_Gratification → Financial_Literacy	.01	.000	.010
Financial_Literacy → Impulse_Buying	.000	.003	.003
Financial_Literacy → Financial_Self_Control	.31	.000	.310
Impulse_Buying → Financial_Self_Control	-.43	.000	-.430

Fig. 3. Structural Model Showing Direct, Indirect, and Total Effects of Plastic Money Usage on Impulse Buying and Financial Self-Control.

The findings of indirect effect analysis show that psychological reward mediates the connection between plastic money usage and impulse buying. It means that consumers' emotions contribute to converting the ease of making transactions through convenient methods into unplanned shopping. The other interesting finding is the negative effect of impulse buying on self-control in financial matters ($\beta = –0.433$, $p < 0.001$). The negative impact on self-control indicates that impulsive purchases lead to poor budgeting abilities, financial monitoring, and regulation of spending. The findings support the concept of Self-Regulation, suggesting that people have finite cognitive abilities for controlling themselves. Moreover, the more unplanned purchases people make with the help of plastic money, the worse is their ability to exercise financial control over themselves. The impact of plastic money use on financial self-control ($\beta = –0.291$, $p < 0.001$) is another way that further corroborates how the use of cashless payment methods can be a factor leading to less spending control. The use of plastic money, being convenient, is more likely to lead to overspending due to a lack of feeling when the money is actually gone. Moreover, psychological pleasure from plastic money use has a detrimental effect on financial self-control ($\beta = –0.158$, $p < 0.001$). This means that the emotional satisfaction one gets from the use of plastic money makes them spend more than necessary.

V. IMPLICATIONS

The implications drawn from the results suggest that plastic money usage leads to a substantial increase in impulse purchasing behavior. It is, therefore, necessary for banks, credit card issuers, and fintech firms to consider developing financial management tools geared towards helping users track and control their spending patterns. Some of these features may include real-time expenditure alerts, expenditure limits, monthly budget notifications, transaction categorizations, and personalized financial dashboard tools that enable customers to keep themselves in check. Considering that psychological satisfaction mediates impulse shopping behavior, it is important for these organizations to strike a good balance between

making convenient products available while at the same time ensuring that spending control features are put in place. Since cashless payments may inadvertently encourage impulse purchases, government agencies and regulatory authorities should support the proliferation of such digital transactions by developing strategies to ensure consumer protection as well. Governments, Reserve Bank of India (RBI), and financial regulators should consider launching educational programs aimed at promoting responsible plastic money use by individuals. Financial literacy is important; however, it may be prudent to include elements of behavioral self-control within the programs to achieve desired success. One major implication from this research is that while financial literacy plays an essential role in improving financial self-control, it does not have any direct effect on impulse buying. These findings indicate that conventional methods used in financial education that emphasize on knowledge gain alone might not be enough in combating impulsive purchases. There is need for educational institutions and universities among other learning institutions to integrate behavioral finance, emotional spending, and self-regulation in their financial literacy programs. Training programs that focus on budgeting, goal-setting, delayed gratification, and expenditure tracking could be helpful in fostering financial prudence. From the findings, it is evident that psychological gratification and the use of plastic money contribute immensely towards impulsive purchases. Marketers and retailers can use the information above to get insight on consumer behavior. Ethical principles should form the foundation of marketing strategies especially in situations where vulnerable consumer segments are targeted. At the societal level, one may deduce that relying more on plastic money could lead to increased rates of impulsive expenditure as well as lack of financial discipline among consumers. In the long run, this could result in greater financial strain among families, debt burden, and less saving capabilities. Promoting financial self-control among consumers through education and digital technologies could help improve financial health and promote sustainable consumption. With India transitioning into a fully cashless society, the cultivation of responsible financial habits is vital to promote social well-being in the country. The current study has provided a basis for exploring various other areas in future research, particularly in the role of mediating and moderating factors that might be associated with digital payment methods' influence on financial behaviors. Such variables include materialism, self-control orientation, financial anxiety, propensity for compulsive buying, perceived ease of use, and digital payment trust. Comparing the effects of digital payment systems on consumer financial behavior in urban versus rural communities in India, or even comparing the use of UPI and mobile payments, could also offer valuable insights.

VI. CONCLUSION

In this study, the psychological impact of plastic money was determined by examining the role of plastic money in influencing the impulsive buying behavior and financial self-control of urban consumers from Southern Districts of Tamil Nadu. Going beyond the traditional perception of plastic money as a means of convenience in making payments, this study focused on the impact of plastic money usage on the emotions, shopping, and discipline in managing finances of consumers. Through the examination of the variables such as plastic money usage, psychological satisfaction, financial literacy, impulse buying, and financial self-control, the study has provided an integrated understanding of the behavioral impact of plastic money usage in a cashless economy. The results suggest that the use of plastic money has a positive effect on psychological satisfaction and impulse buying behavior, while it has a negative effect on financial self-control. Psychological satisfaction is found to play a key role in the effect of plastic money on impulsive buying decision. Also, impulse buying reduces financial self-control. While financial literacy played no significant role in determining whether or not individuals engaged in impulse buying, it positively impacted financial self-control, implying that financial knowledge is more beneficial when it comes to developing good long-term financial habits rather than helping people refrain from engaging in immediate acts of impulsive behavior. Taken together, these results imply that consumer financial behavior in cashless societies can be strongly affected not only by cognition but also by emotions and psychological forces. There are several important contributions that the current study makes to the existing knowledge in the field.

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