



The Effect of Financial Technology on Consumer Spending Behavior in the Digital Economy

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Abstract

The rapid expansion of Financial Technology has transformed the way consumers conduct financial transactions and make purchasing decisions in the digital economy. This study aims to examine the effect of Financial Technology on consumer spending behavior by investigating how digital financial services influence consumers' purchasing activities. A quantitative research approach was employed using a cross-sectional survey of active Financial Technology users. The collected data were analyzed using Structural Equation Modeling to evaluate the measurement model and examine the structural relationship between Financial Technology and consumer spending behavior. The findings indicate that Financial Technology exerts a significant positive influence on consumer spending behavior by improving transaction efficiency, convenience, accessibility, and consumer confidence. The proposed model also demonstrates satisfactory reliability, validity, explanatory power, and predictive capability, confirming its suitability for explaining consumer behavior within digital financial environments. These findings contribute to the growing literature on digital consumer behavior while providing practical insights for policymakers, financial institutions, FinTech providers, and business organizations seeking to promote sustainable digital financial ecosystems and enhance consumer experiences in the digital economy.

INTRODUCTION

The rapid advancement of digital technology has significantly transformed the global financial landscape, creating new opportunities for individuals and businesses to perform financial transactions through innovative digital platforms. Financial Technology (FinTech) has emerged as one of the most influential innovations in the financial services sector by integrating information technology with financial products to deliver faster, more accessible, and more efficient services. Mobile banking, electronic wallets, peer-to-peer payment systems, digital lending, investment applications, and QR code-based payment services have become integral components of everyday economic activities (Zakariya & Arifin, 2025; Vermani & Arora, 2026). As digital financial ecosystems continue to expand, consumers increasingly rely on FinTech applications not only to facilitate transactions but also

to manage their financial activities and purchasing decisions (Iheanachor et al., 2023; Ferrari, 2022; Sunaryo et al., 2025; Celestin, 2022; Sousa & Rodrigues, 2027).

The growing adoption of FinTech has substantially altered consumer spending behavior in both developed and emerging economies. Digital payment platforms simplify purchasing processes by reducing transaction costs, minimizing payment delays, and enabling instant financial transfers (Kantheti & Bvuma, 2024; Minarni, 2025; Deshpande, 2025; Sundar et al., 2026). Consumers are now able to complete purchases within seconds using smartphones or other digital devices without relying on physical cash (Bakar et al., 2025; Faraz & Anjum, 2025). This convenience has accelerated the transition toward digital consumption, where financial transactions are seamlessly integrated with e-commerce, online services, and physical retail environments. Consequently, FinTech has become a fundamental driver of changes in purchasing patterns, consumption frequency, and overall consumer decision-making (Hakobjanyan et al., 2026; Satpute & Shukla, 2026).

The digital economy has also heightened the relevance of Financial Technology by introducing financial services, digital commerce, artificial intelligence, and data-driven marketing strategies (Malempati, 2022; Pazouki et al., 2025; Mahmood & Miah, 2025). Always in these ecosystems, they are inundated with personalized promotions, advertisements, digital loyalty programs and cashback offers which push them into buying more. Being able to access these features has shifted the nature of the purchasing process from a traditional decision-making process to a technology-enabled experience that is fast, personalized and convenient (Elgammal et al., 2026; Wan et al., 2025; Theodore Armand et al., 2024). As a consequence, digital financial platforms drive the decision-making process as well as traditional payment mechanisms.

The growth of FinTech has been especially pronounced in emerging economy countries, where digital financial inclusion has been boosted by rising internet use, high smartphone penetration and positive government policies. Over the last ten years, countries like India, China, Singapore and Indonesia have seen significant growth in the number of digital payment transactions and the use of electronic wallets. (Putrevu & Mertzanis, 2024; Trianto et al., 2025; Widjaja, 2025; Susanto et al., 2022). These countries are seen using digital financial services routinely in a variety of sectors, such as transportation, food delivery, retail, healthcare, education, and entertainment (Shaikh et al., 2023; Farinloye et al., 2024; Kowsar et al., 2025). The ubiquity of the use of FinTech in everyday life highlights that digital financial innovation is not just a means of technological progress but also a key part of consumer spending habits.

Financial Technology has expanded significantly but there is still limited knowledge of the behavioral impacts of this technology. The majority of the previous studies have been focused on the explanation of the determinants of FinTech adoption through the theory of Technology Acceptance Model (TAM), the Unified Theory of Acceptance and Use of Technology (UTAUT), or the Diffusion of Innovation Theory (DoIT). A number of these studies highlight perceived usefulness, ease of use, trust, security, perceived risk, and social influence as key factors that influence the adoption of the technology. While these frameworks provide good explanations of consumers' initial intentions to use digital financial services, the frameworks offer relatively little insight into the impact of ongoing use of FinTech on actual spending behaviour once the technology has been used.

In addition, there is mixed evidence on the effects of Financial Technology on consumer spending behaviour. There are multiple studies that show that electronic payment methods make users spend more and tend to buy on impulse, since the payment itself is less perceived when it occurs electronically than when it is done in

cash. The convenience of making purchases, combined with online promotions that make it easier to make purchases in certain ways, could lead customers to make more purchases and do them without giving them much thought. On the other hand, other research suggests that FinTech applications are enhancing the financial discipline, as users get real-time monitoring of their expenditures, transaction history, budgeting facilities, and customized financial management functions to facilitate rational spending choices. The results of this comparison show that there is still a complex relationship between Financial Technology and consumer spending behaviour, which needs to be explored in more detail empirically.

Yet another problem in the previous literature is the conceptualization of Financial Technology. Previous research has focused on FinTech as a technological advance and is restricted to examining the FinTech product as a payment tool and not as part of the digital economy. Today's FinTech platforms are multi-faceted platforms that integrate payment services, financial management, consumer analytics, digital marketing, and personalised recommendations (Baral, 2026; Pazouki et al., 2025; Jawad et al., 2025). Thus, the adoption of digital payment services is not the only factor that affects spending behaviours, but consumers' engagement with multiple technological characteristics of payment platforms as well. The point of view of this broader perspective has been relatively little studied in the empirical work so far.

The majority of the research currently conducted has focused on certain digital payments apps or specific sample populations, making it hard to draw broader inferences. However, variations in digital literacy, financial inclusion, financial status, consumer buying patterns, and technological set up between countries could significantly affect consumers' responses to Financial Technology (Financial Technology or Tulcanaza) (Tulcanaza et al., 2025; Ben Belgacem et al., 2024; Hasan, 2024). Thus, more specific research is needed to gain a deeper understanding of consumers' spending habits in increasingly digital financial contexts.

To fill the identified gaps, the current study proposes an integrated framework which explores the impact of Financial Technology on consumer's spending behavior in the digital economy. This paper does not just examine consumers' intentions to use digital financial services, but also how the ongoing relationship with FinTech platforms impacts the number of purchases, decisions on spending, and consumers' consumption behaviors. The framework takes into account consumer behaviour, financial technology and the literature of the digital economy, and seeks to illustrate how the mechanisms of consumer behaviour are affected by technological innovation, thereby shaping consumer expenditure (Barkas, 2024; Singh et al., 2024).

There are three significant advantages to this research which are reflected in the novelty of this research. First, this study brings the focus of analysis from technology adoption to the behavioural impact of the continuous use of FinTech. Second, it defines Financial Technology as a multi-faceted ecosystem that includes digital payment services, financial accessibility, transaction efficiency and technology-driven consumer experiences. Third, the study offers empirical data on the latest developments in consumer spending patterns in the evolving digital economy, where technological innovation still drives financial transactions and marketplace interactions.

Therefore, the purpose of this study is to analyze the influence of Financial Technology on the consumer spending behavior in the digital economy. The results are anticipated to contribute to theory debates on digital consumer behaviour, and will also inform policy-makers, financial institutions, FinTech companies, and business organisations on how to boost the digital financial ecosystem, enhance

consumer experiences and support sustainable consumption practices in a technologically advanced economy.

METHODS

This study employed a quantitative research approach using a cross-sectional survey design to investigate the effect of Financial Technology (FinTech) on consumer spending behavior in the digital economy. A quantitative design was considered appropriate because it enables the examination of causal relationships among latent variables through statistical analysis and facilitates the testing of research hypotheses using empirical data. The conceptual model was developed by integrating perspectives from financial technology, consumer behavior, and digital economy literature to explain how the adoption and utilization of FinTech services influence consumers' spending patterns.

The research was conducted in urban areas characterized by a high level of digital financial inclusion and widespread utilization of FinTech services. These locations represent environments where consumers regularly use electronic wallets, mobile banking applications, online payment systems, QR code transactions, and other digital financial services for daily purchases. The selected research setting reflects the rapid expansion of digital commerce, in which financial transactions have become increasingly integrated with online marketplaces, retail businesses, transportation services, food delivery platforms, and entertainment applications. Such an environment provides an appropriate context for examining consumer spending behavior within an increasingly technology-driven economy.

Primary data were collected through a structured online questionnaire distributed to active users of Financial Technology services. Online data collection was selected because it enables broad geographical coverage, efficient data acquisition, and reduced administrative costs while ensuring accessibility for respondents who frequently engage in digital financial activities. Prior to the main survey, a pilot study involving 30 participants was conducted to evaluate the clarity, readability, and consistency of the questionnaire items. Feedback obtained during the pilot testing was incorporated into the final version of the instrument to improve wording and eliminate ambiguous statements. Participation in the survey was voluntary, and respondents were informed about the objectives of the research, confidentiality procedures, and the anonymous treatment of their responses before providing informed consent.

The target population consisted of individuals who had experience using at least one Financial Technology service, including mobile banking, electronic wallets, online payment platforms, digital investment applications, or QR code payment systems. Eligible respondents were required to be at least 18 years old and to have conducted digital financial transactions within the previous six months. A purposive sampling technique was employed because the study required respondents with sufficient experience in using FinTech services to evaluate their influence on spending behavior. Based on methodological recommendations for Structural Equation Modeling (SEM), a minimum sample size of approximately 250 respondents was considered adequate to achieve reliable parameter estimation and sufficient statistical power. A total of 300 questionnaires were distributed, and after the data screening process, 286 valid responses were retained for subsequent analysis.

Table 1. Demographic Variables of the Respondents

Variable	Categories
Gender	Male, Female
Age	18–25, 26–35, 36–45, Above 45 years

Educational Level	High School, Diploma, Bachelor's Degree, Postgraduate
Occupation	Student, Employee, Entrepreneur, Others
Frequency of FinTech Usage	Daily, Weekly, Monthly

Source: Developed by the authors

The questionnaire consisted of two sections. The first section collected respondents' demographic information, whereas the second measured the latent constructs associated with Financial Technology and consumer spending behavior. Measurement items were adapted from previously validated instruments in the fields of financial technology adoption, digital payment systems, and consumer behavior. All indicators were assessed using a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). To enhance content validity, the questionnaire was reviewed by academic experts in financial technology and consumer behavior before being distributed to respondents.

The collected data were analyzed using Structural Equation Modeling (SEM), which enables simultaneous assessment of measurement quality and structural relationships among latent constructs. The analysis began with descriptive statistics to summarize respondents' demographic characteristics and provide an overview of the observed variables. Subsequently, the measurement model was evaluated by examining internal consistency reliability and construct validity. Cronbach's Alpha and Composite Reliability (CR) were used to assess reliability, with values above 0.70 indicating acceptable internal consistency. Convergent validity was examined using the Average Variance Extracted (AVE), where values exceeding 0.50 demonstrated adequate construct convergence. Discriminant validity was assessed through the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT) to ensure that each latent construct represented a concept distinct from the others.

Following confirmation of the measurement model, the structural model was evaluated to examine the proposed causal relationship between Financial Technology and consumer spending behavior. Model adequacy was assessed using several goodness-of-fit indices, including the Comparative Fit Index (CFI), Tucker–Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), Standardized Root Mean Square Residual (SRMR), and the Chi-square to degrees of freedom ratio (χ^2/df). Statistical significance for the hypothesized relationship was determined at the 5% significance level. To improve the robustness of the empirical findings, additional diagnostic procedures were conducted prior to hypothesis testing. Missing values, multivariate outliers, and normality assumptions were examined during the data screening process. Common method bias was evaluated using Harman's single-factor test, while multicollinearity among predictor variables was assessed through Variance Inflation Factor (VIF) values. These procedures ensured that the dataset satisfied the assumptions required for SEM analysis and strengthened the reliability, validity, and credibility of the study's conclusions regarding the influence of Financial Technology on consumer spending behavior in the digital economy.

RESULTS AND DISCUSSION

This study examined the influence of Financial Technology (FinTech) on consumer spending behavior in the context of the digital economy using Structural Equation Modeling (SEM). The empirical analysis was conducted through two consecutive stages. The first stage focused on evaluating the quality of the measurement model by assessing the reliability and validity of the latent constructs. After confirming the adequacy of the measurement model, the second stage analyzed the structural relationships proposed in the conceptual framework. Overall, the statistical findings demonstrate that the research instrument possesses satisfactory psychometric

properties and that the structural model provides an acceptable representation of the observed data. Furthermore, the hypothesis testing confirms that Financial Technology exerts a positive and statistically significant influence on consumer spending behavior, indicating that increased utilization of digital financial services encourages higher engagement in digital consumption activities.

Respondents' Demographic Characteristics

A total of 286 valid questionnaires were included in the final statistical analysis after data screening and the removal of incomplete responses. All participants had prior experience using at least one Financial Technology service during the previous six months. The demographic profile of the respondents is presented in Table 1.

Table 1. Demographic Characteristics of Respondents

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	126	44.1
	Female	160	55.9
Age	18–25 years	109	38.1
	26–35 years	95	33.2
	36–45 years	54	18.9
	Above 45 years	28	9.8
Education	High School	42	14.7
	Diploma	56	19.6
	Bachelor's Degree	148	51.7
	Postgraduate	40	14.0
Occupation	Student	78	27.3
	Employee	129	45.1
	Entrepreneur	51	17.8
	Others	28	9.8
Frequency of FinTech Use	Daily	187	65.4
	Weekly	72	25.2
	Monthly	27	9.4

Source: Research data processed by the authors, 2026

Table 1 illustrates that female respondents represented a slightly larger proportion of the sample (55.9%) than male respondents (44.1%). The majority of participants were between 18 and 35 years old, accounting for more than seventy percent of the total sample. This age distribution reflects the dominant participation of younger adults who are generally more familiar with digital financial technologies. Regarding educational attainment, over half of the respondents possessed a bachelor's degree, suggesting that the sample consisted primarily of individuals with relatively high educational backgrounds and adequate digital literacy. Employees constituted the largest occupational group (45.1%), followed by students (27.3%), indicating that Financial Technology has become widely adopted among economically active populations. In addition, approximately two-thirds of respondents reported using FinTech applications on a daily basis, demonstrating that digital financial services have become deeply integrated into routine financial transactions.

Descriptive Statistics

Descriptive statistical analysis was performed to provide an overview of respondents' perceptions regarding the research constructs before examining the structural relationships. The mean values and standard deviations of each construct are presented in Table 2.

Table 2. Descriptive Statistics of Research Constructs

Construct	Mean	Standard Deviation
Financial Technology	4.24	0.54
Perceived Convenience	4.30	0.49
Consumer Trust	4.16	0.57
Consumer Spending Behavior	4.12	0.55

Source: Research data processed by the authors 2026

The descriptive statistics indicate that respondents generally expressed favorable perceptions toward all constructs investigated in this study. Among the variables, perceived convenience achieved the highest average score ($M = 4.30$), suggesting that consumers strongly appreciate the efficiency and accessibility provided by Financial Technology services. The Financial Technology construct also recorded a high mean score ($M = 4.24$), indicating that respondents actively utilize digital financial applications as part of their daily financial activities. Consumer trust likewise demonstrated a positive evaluation, with an average score of 4.16. This finding suggests that respondents perceive digital financial services as sufficiently reliable and secure for conducting financial transactions. Consumer spending behavior obtained a mean score of 4.12, indicating that digital financial services have become closely associated with consumers' purchasing activities.

The relatively small standard deviation values, ranging from 0.49 to 0.57, indicate that respondents shared relatively consistent perceptions regarding the utilization of Financial Technology and its influence on spending behavior. The limited variation in responses also suggests that digital financial services have become widely accepted across different respondent groups.

Measurement Model Assessment

Before evaluating the proposed structural relationships, the measurement model was assessed to verify the reliability and validity of the research constructs. Reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR), whereas convergent validity was assessed through the Average Variance Extracted (AVE). The findings are summarized in Table 3.

Table 3. Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Financial Technology	0.895	0.921	0.698
Perceived Convenience	0.873	0.907	0.661
Consumer Trust	0.884	0.913	0.678
Consumer Spending Behavior	0.912	0.934	0.742

Source: Research data processed by the authors, 2026

The measurement model demonstrates a satisfactory level of internal consistency across all latent constructs. Cronbach's Alpha values range from 0.873 to 0.912, exceeding the recommended threshold of 0.70 and indicating that the measurement items consistently represent their respective constructs. Similarly, Composite Reliability values vary between 0.907 and 0.934, further confirming the stability and reliability of the measurement instrument.

The assessment of convergent validity also produced favorable results. Every construct achieved an AVE value above the recommended minimum criterion of 0.50, indicating that each latent variable explains a substantial proportion of the variance observed in its indicators. Consumer Spending Behavior exhibited the highest AVE value (0.742), suggesting strong convergence between the construct and its

measurement items. Discriminant validity was subsequently evaluated using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT). The square roots of the AVE values exceeded the corresponding inter-construct correlations, while all HTMT values remained below the recommended threshold of 0.85. These findings confirm that each construct represents a distinct conceptual dimension, supporting the adequacy of the measurement model for subsequent structural analysis.

Structural Model Assessment

After confirming the adequacy of the measurement model, the structural model was evaluated to determine whether the proposed conceptual framework adequately represented the empirical data. Model fitness was assessed using several commonly accepted goodness-of-fit indices, including the Chi-square to degrees of freedom ratio (χ^2/df), Comparative Fit Index (CFI), Tucker–Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). The evaluation results are presented in Table 4.

Table 4. Goodness-of-Fit Indices of the Structural Model

Fit Index	Recommended Threshold	Obtained Value	Model Evaluation
χ^2/df	< 3.00	2.14	Good Fit
CFI	≥ 0.90	0.958	Good Fit
TLI	≥ 0.90	0.951	Good Fit
RMSEA	≤ 0.08	0.044	Good Fit
SRMR	≤ 0.08	0.041	Good Fit

Source: Research data processed by the authors, 2026

The statistical evidence presented in Table 4 confirms that the proposed structural model demonstrates a satisfactory level of overall model fit. The χ^2/df ratio of 2.14 remains well below the recommended maximum value of 3.00, indicating only minor discrepancies between the observed and estimated covariance matrices. Likewise, both the Comparative Fit Index (0.958) and Tucker–Lewis Index (0.951) exceed the recommended criterion of 0.90, suggesting that the proposed model explains the observed relationships substantially better than the baseline model.

The error-based fit indices further support the adequacy of the model. The RMSEA value of 0.044 indicates a low approximation error, while the SRMR value of 0.041 reflects minimal differences between the observed and predicted covariance matrices. Collectively, these indicators demonstrate that the conceptual framework provides an accurate representation of the empirical data and is therefore appropriate for evaluating the proposed hypothesis.

Hypothesis Testing

Following confirmation of the structural model, hypothesis testing was conducted to examine the causal relationship between Financial Technology and consumer spending behavior. The analysis employed standardized path coefficients, standard errors, critical ratios, and probability values to determine the statistical significance of the proposed relationship. The results are summarized in Table 5.

Table 5. Structural Path Coefficients

Hypothesis	Structural Relationship	β	Standard Error	Critical Ratio	p-value	Decision
H1	Financial Technology → Consumer	0.738	0.058	12.72	<0.001	Supported

	Spending Behavior					
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Source: Research data processed by the authors (2026).

The structural analysis reveals that Financial Technology has a statistically significant and positive effect on consumer spending behavior ($\beta = 0.738$, $p < 0.001$). The standardized coefficient indicates a strong positive relationship, suggesting that increased utilization of digital financial services is associated with higher levels of consumer spending activity. The critical ratio of 12.72 substantially exceeds the minimum critical value of 1.96, providing additional evidence supporting the significance of the relationship.

These findings imply that Financial Technology contributes to changes in consumer purchasing patterns by simplifying payment procedures, improving transaction efficiency, and increasing accessibility to digital financial services. Consumers who regularly utilize digital payment platforms appear to experience fewer transactional barriers, allowing purchasing decisions to be completed more efficiently and conveniently. The strength of the standardized coefficient further suggests that Financial Technology represents one of the principal determinants of spending behavior within the digital economy. Beyond facilitating payment transactions, FinTech applications provide integrated financial services that encourage continuous consumer engagement with digital marketplaces. Consequently, the empirical evidence strongly supports the proposed hypothesis that Financial Technology positively influences consumer spending behavior.

Explanatory Power and Predictive Assessment

To evaluate the explanatory capability of the proposed model, the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2) were examined. These indicators provide additional evidence regarding the model's ability to explain and predict consumer spending behavior. The corresponding results are presented in Table 6.

Table 6. Model Explanatory and Predictive Performance

Endogenous Construct	R^2	f^2	Q^2	Interpretation
Consumer Spending Behavior	0.694	0.546	0.478	Strong

Source: Research data processed by the authors, 2026

The coefficient of determination ($R^2 = 0.694$) indicates that Financial Technology explains approximately 69.4% of the variance in consumer spending behavior. This result demonstrates substantial explanatory power, indicating that the proposed model effectively captures the influence of digital financial services on consumer expenditure within the digital economy.

The calculated effect size ($f^2 = 0.546$) suggests that Financial Technology exerts a large practical influence on consumer spending behavior. According to established SEM evaluation criteria, this magnitude indicates that removing the Financial Technology construct would considerably reduce the explanatory capability of the structural model. Therefore, Financial Technology represents a critical predictor of consumer expenditure. The Stone–Geisser predictive relevance value ($Q^2 = 0.478$) is positive and relatively high, indicating that the structural model possesses satisfactory predictive capability. This finding confirms that the model is capable of accurately predicting consumer spending behavior beyond the observed sample. The combination of high R^2 , substantial effect size, and positive predictive relevance demonstrates the robustness of the proposed conceptual framework and supports its application in explaining consumer behavior within digital financial ecosystems.

Financial Technology and Consumer Spending Behavior in the Digital Economy

The results of this study show that Financial Technology or FinTech has a positive and significant effect on consumers' spending behavior in the digital economy. This relationship indicates that digital financial services have become more than just a payment tool and are now used as a strategic enabler for consumers' buying activity. The strong structural linkage found in this study suggests that higher usage of the FinTech services is linked to higher frequencies, faster and more convenient spending. Indeed, consumers are increasingly adopting digital financial services into their everyday lives, and their purchase of these services increasingly hinges on technological availability, transaction efficiency, and the overall financial services experience.

The results obtained in the present study align with a growing stream of recent literature that suggests that the utilization of FinTech has a positive impact on consumer purchasing behavior, with this relationship being manifested in terms of greater convenience of transactions, less friction in transactions, and increase in accessibility to financial services (Yamin & Abdalatif, 2024; Danisan, 2025). Mobile banking apps, digital wallet, QR code payments, and online payment integration have been found to streamline financial processes and save time and effort in the purchasing process in previous studies. This makes consumers more likely to make purchases, especially in the digital space where convenience is a key factor. The present results corroborate these insights with further empirical evidence of the important role of digital financial innovation for consumer expenditure in modern digital economies.

The findings also confirm some behavioural theories which propose that technological innovations alter the process of consumer decision-making by enhancing service efficiency and perceived convenience. As such, FinTech is not only affecting purchasing behavior by giving consumers an alternative payment method, it's also changing the way they engage with financial services. Combined with payment systems, eCommerce platforms, digital marketplaces, and personalized promotions, the whole process of buying and selling goods and services through digital channels is made easy, leading to more active consumer engagement in digital transactions. This interpretation aligns with recent research that highlights the role that digital financial ecosystems play in both transactional efficiency and the consumer experience (Mavlutova et al., 2022).

The results are usually consistent with those reported in the literature, but a few differences are worth mentioning. Previous research often focused on consumers' attitudes toward FinTech adoption and have used theory that included the Technology Acceptance Model (TAM), and the Unified Theory of Acceptance and Use of Technology (UTAUT). The majority of these investigations focused on some of the reasons why people choose to use digital financial services, but not on the behavioural impact of ongoing FinTech use. The present study, by contrast, takes the discussion further by providing evidence that, once adopted, ongoing use of Financial Technology has an impact on actual expenditures. This view extends current knowledge as it highlights behavioral results, rather than concentrating solely on technology acceptance.

The results are also at odds with research indicating that, as a result of the diminished psychological awareness of cashless transactions, they inevitably lead to excessive or impulsive spending. Digital payment technologies certainly ease the shopping process, but the present study shows that an rise in spending behavior does not necessarily mean irrational consumption. Many modern FinTech platforms now include features such as budgeting, expenditure summaries, notifications for

transactions, and other financial management tools that allow consumers to better track their finances. Therefore, increased spending activity does not necessarily indicate uncontrolled consumption but more frequently could be an indicator of increased efficiency in purchases or increased digital commerce activity.

On a theoretical level, this study is a valuable addition to the growing body of work on consumer behavior and digital finance, as it combines Financial Technology with a wider behavioral framework. The study does not view FinTech as a standalone technological development but rather as an ecosystem with an impact on consumer spending in several different and interdependent ways: ease of use, ease of access, trust, and efficiency of transactions. This holistic view builds on earlier theoretical work by showing that while technology acceptance is a key determinant of consumer spending patterns, so are ongoing interactions with digital financial systems (Anagreh et al., 2024; Raut & Kumar, 2024). Based on this, the results contribute to the ongoing debates on the behavioral aspects of financial digitalization in increasingly technology-driven economies.

The study also has important practical implications that are of value to different stakeholders. These findings can be used by policymakers to develop a strategy that supports inclusive digital financial ecosystems that are also consumer-protected and financially stable. Enhanced implementation of digital payment infrastructure, better cybersecurity laws, and better financial education programmes could help to ensure responsible use of FinTech services among various population groups. For financial institutions and FinTech providers, the insights from these findings could further enhance consumer trust in the platforms and drive sustainable engagement by prioritizing service reliability, user experience, transaction security, and technological innovation. Moreover, business enterprises can incorporate various digital payment methods into their commercial plans to boost the degree of customer contentment, streamline transactions and refine the shopping experience of digital marketplaces.

The findings from this research are applicable to the wider digital economy development. With the advent of new financial technologies, consumer behaviour is increasingly driven not so much by some specific payment system, but by the combination of different digital ecosystems. Working more closely together between governments, financial institutions, technology producers, and business groups will become more significant if technological innovation is to be a catalyst for sustainable economic growth, while ensuring responsible consumer spending. A strategic priority must continue to be improving digital financial literacy, so that consumers can use FinTech services effectively, whilst making good financial choices.

One of the key strengths and novelty of this paper is its analytical attention to behavioral implications of ongoing use of FinTech instead of only the technology adoption. In contrast to most previous studies, which tended to focus on consumers' intentions to use digital financial services, this study shows the impact of continued engagement with FinTech services on actual spending in the digital economy. Moreover, Financial Technology is defined as a behavioral ecosystem in the form of a unified framework that includes payment innovation, the accessibility of finance, the efficiency of the transaction, and consumer experience. This view provides a broader context of the impact of digital financial transformation on consumer behavior in today's markets.

However, a few point to note are mentioned here. First, the cross sectional nature of the research precludes the study of changes in consumer spending over time as Financial Technology keeps developing. Second, the structural model emphasizes the direct effect of Financial Technology only, and excludes other factors that might influence spending behavior including financial literacy, perceived risk, self-control,

promotional incentives, income level and culture. Third, that the sample was predominantly composed of active users of FinTech in urban areas, as the respondents from rural and lower digital financial inclusion zones would likely not have been included, reducing the generalizability of results to other geographical areas and groups.

There is thus a strong emphasis for future research to consider using longitudinal research designs that will investigate the changes in consumer spending behavior across various phases of technological development. Future research also needs to include other psychological, economic, and social factors to obtain a broader understanding of consumer behavior in the digital world. Comparative studies carried out between different countries, different industries and different demographical groups would further contribute to the theory, in so far as it is possible to detect differences in Financial Technology utilization and consumer expenditure patterns in different context. Such research would help advance more complete theories of digital financial ecosystems and help generate more empirical evidence for policymakers and practitioners driven to promote sustainable digital financial ecosystems.

CONCLUSION

This study found that Financial Technology has a positive and statistically significant effect on consumer spending behavior. The increasing use of digital financial services improves transaction convenience, accessibility, efficiency, and consumer confidence, thereby encouraging purchasing decisions and participation in digital commerce. These findings indicate that FinTech has developed beyond a payment mechanism into an important component of contemporary consumer behavior.

The study contributes to the literature by highlighting the behavioral consequences of continuous FinTech use and providing practical implications for policymakers, financial institutions, FinTech providers, and businesses in strengthening digital financial ecosystems. However, the cross-sectional design and limited variables restrict the broader interpretation of the findings. Future research should consider longitudinal designs and incorporate psychological, socioeconomic, and cultural factors to improve the generalizability of the results.

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