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RESEARCH ARTICLE

Digital Transaction Usage and Consumer Spending Behaviour in the Global South: Evidence from Nepal

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Abstract

Purpose: Drawing on the UTAUT, this study examines the influence of performance expectancy (PE), effort expectancy (EE), social influence (SI), and facilitating conditions (FC) on consumer spending behaviour (CSB), associated with digital transaction usage, while also investigating the mediating role of behavioural intention (BI).

Design/methodology/approach: The study adopted a survey design, and cross-sectional data were collected from 280 consumers in Kathmandu Valley using convenience sampling. Data were analysed using SmartPLS 4.0.

Findings: The results show that PE, SI, and FC significantly influence CSB, whereas EE was not supported. Likewise, BI mediated the relationship between PE→CSB, SI→CSB, and FC→CSB, whereas the mediating effect of EE was not significant.

Implications: The findings provide practical insights for fintech firms and digital service providers to enhance Behavioural intention by promoting performance expectancy, social influence, and facilitating conditions.

Originality/value: This study extends the UTAUT framework by linking digital transaction usage to actual CSB, offering novel evidence from Nepal and revealing the mediating role of BI in a Global South context.

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Introduction

The global payment ecosystem is rapidly changing due to the fast development of digital financial technologies, which redefine the ways people transact and handle their money. Since the introduction of credit cards and their further development in electronic funds transfers (EFTs), online payment systems, and mobile wallets, online payments have become an inseparable part of modern economic systems (Faraz & Anjum, 2025). This transformation mirrors a larger digitisation phenomenon, in which financial services are offered more via technology-based platforms, which are more efficient, accessible, and convenient (Pal, 2022). Digital payments have become a major instrument for fostering financial inclusion and closing access disparities in formal financial systems in the Global South (Tay et al., 2022). Financial technology (FinTech) innovation allows individuals, especially underbanked people, to participate in financial transactions, including payment, saving, and lending (Setiawan et al., 2022). Mobile technology and internet connectivity have increased the rate of implementing digital transactions in developing economies. However, such fast expansion comes with its own set of problems, such as the lack of regulatory standards, insufficient infrastructural conditions, and the lack of digital financial literacy, which affect adoption and usage patterns.

Digital payments also diminish the psychological salience of spending, unlike cash transactions, which require a tangible exchange and result in a pain of paying (Shakya & Karki, 2025; Khan & Belk, 2024). This decreased visibility creates a feeling of dissociated with money, which usually results in a high consumption level and impulsive buying habits. This phenomenon is described by the term "Spendception," referring to the role of ease of use, perceived control, and emotional detachment in influencing spending decisions (Faraz & Anjum, 2025). Online transactions undermine the usual financial discipline and stimulate increased spending.

Research has established that when customers abandon the use of cash in favour of online payment systems, they become less sensitive to the budget constraint, leading to higher levels of spending (Agarwal et al., 2019). Likewise, digital wallets make transactions more convenient and faster, which impacts purchase intentions and increases the frequency of transactions, especially among younger and more technology-sensitive customers (Kaakandikar, 2024; Syyida et al., 2025). Such modifications in behaviour suggest that the payment mode is not just an instrument of transactions but a reflection of consumption patterns. Meanwhile, digital financial literacy (DFL) is a key factor in defining financial behaviour under a digital economy (Prihandini, 2025). Those who are more digitally financially literate have an advantage in being able to control their expenditure, use financial instruments more efficiently, and be more financially disciplined. On the other hand, a low literacy level leads to poor financial choices, a waste of money, and financial susceptibility in the long run (Setiawan et al., 2022).

Over the past few years, the pace of adoption of digital payment systems increased in Nepal due to increased smartphone penetration, growth in digital infrastructure, and changes in behaviour due to the COVID-19 pandemic (Tamang et al., 2021). There is increased expansion of digital transactions, which indicates the shift towards a more cashless economy (Lamichhane, 2025). Mobile wallets, online banking, and QR-based systems are becoming more widely used by consumers because of their convenience, speed, and accessibility. Perceived usefulness, ease of use, and security are among the factors that greatly affect such adoption (Karn & Pradhan, 2023). With these advancements, the rapid adoption of digital payments in Nepal has also led to changes in consumer spending behaviour. Moreover, barriers such as limited awareness, lack of trust, and inadequate infrastructure continue to impede the effective use of digital financial services and sound financial management (Karn & Pradhan, 2023). Such problems are especially noteworthy in a developing economy with financial literacy and regulatory preparedness still in development.

Besides, current studies on digital payments in Nepal concentrate on factors of adoption that employ traditional models with little consideration of the psychological and behavioural elements of spending. The integrated research of digital transaction use, financial literacy, and consumer behaviour in the Nepal setting is a gap in the literature. Thus, drawing on the UTAUT, this study examines the influence of performance expectancy (PE), effort expectancy (EE), social influence (SI), and facilitating conditions (FC) on consumer spending behaviour (CSB), while also investigating the mediating role of behavioural intention (BI). From both technological and behavioural perspectives, this study provides insights into how digital payment adoption influences consumer spending and financial decision-making. The findings offer valuable implications for policymakers, financial institutions, and other stakeholders in designing strategies that promote responsible financial behaviour while maximising the benefits of digital financial innovation.

Literature Review

Several theories have been investigated to understand factors of digital payment adoption and consumer spending patterns. The key theoretical models, which are taken into consideration in the given study, are the Theory of Planned Behaviour (TPB) (Ajzen, 1991), Technology Acceptance Model (TAM) (Davis, 1989), Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh et al., 2003), Diffusion of Innovation (DOI) (García-Avilés, 2020), and Behavioural Finance Theory (Thaler & Ganser, 2015). TPB identifies attitudes, subjective norms, and perceived behavioural control as influencing behavioural intentions, indicating that individuals tend to adopt digital payments more frequently when they believe that it is useful, accepted within society, and easy to utilise. The theory provides a platform on which the psychological and social factors affecting the intention to use digital payment systems can be identified (Ajzen, 2012).

TAM considers perceived usefulness and perceived ease of use as the essential factors of technology adoption but fails to fully explain the social and environmental factors, which restricts its explanatory power in the context of complex behavioural aspects (Davis, 1989). Similarly, DOI theory explains how innovations are diffused among people based on relative advantage, compatibility, and complexity, but it focuses more on adoption patterns than post-adoption behavioural consequences (Alkhowaiter, 2020; Rogers, 2003). Behavioural Finance Theory emphasises psychological bias and irrational decision-making, such as impulsive spending and inelastic responses to financial value in online transactions, but it is not predictive but more descriptive (Thaler, 2015).

Likewise, the UTAUT integrates several technology acceptance models and comprises four key constructs: PE, EE, SI, and FC (Anggorowati, 2024; Venkatesh et al., 2003). However, the model primarily explains technology adoption and usage behaviour rather than its implications for individuals' financial outcomes or financial performance. Although these theories are used to explain various aspects of consumer behaviour, UTAUT explicitly offers a holistic approach in which the technological, social, and enabling factors are combined to determine adoption and use.

UTAUT is the most appropriate theoretical framework for examining digital payment behaviour, as it systematically captures the key determinants of technology adoption and use (Venkatesh et al., 2003). PE portrays the perceived advantages of digital payments, including convenience and efficiency. EE is the comfort relating to the utilisation of digital payment systems. SI includes the impact of peers, social networks, and trends in societies on adoption behaviour. FC refers to the resources, infrastructure, and technical assistance needed to use digital payment systems. A combination of these constructs determines

how people learn and use digital payments, which in turn affects their spending habits.

UTAUT model has been used extensively in association with the adoption of digital technology and financial behaviour. Previous studies have established its usefulness in describing user acceptance of mobile payments and technologies, with technology perceptions and social factors relating to the BI and actual use. This study builds a conceptual framework that is used to evaluate CSB.

The conceptual framework (Figure 1) incorporates the constructs of PE, EE, SI, and FC as independent variables, the BI as a mediating variable, and CSB as a dependent variable.

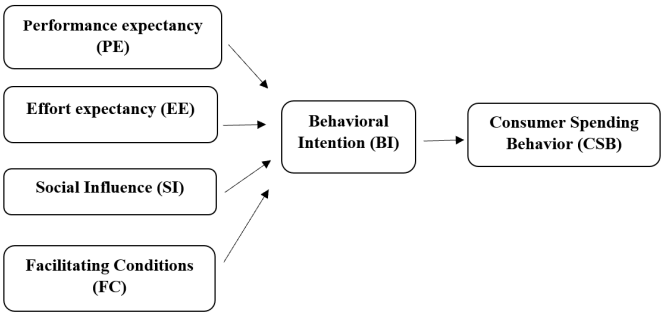


Figure 1: Conceptual Framework

Performance Expectancy and Consumer Spending Behaviour

PE is the degree to which individuals feel that the utilisation of technology will enhance efficiency, convenience, and overall outcomes (Rahi et al., 2019). The more people feel that a system has enabled them to work on tasks more quickly, better manage their money, or receive some benefits, the more they are inclined to have a positive attitude towards using it (Ghalandari, 2012). This favourable attitude enhances their desire to embrace and use technology. Regarding consumer spending, the expectation of greater financial benefits or rewards from using digital payment systems increases consumers' likelihood of adoption and encourages higher transaction activity.

H1: Performance expectancy significantly influences consumer spending behaviour

Effort Expectancy and Consumer Spending Behaviour

EE is defined as the ease and simplicity that people feel when using and learning something about technology (Ghalandari, 2012). When a system is very easy to use and requires a small amount of effort, the chances of the user becoming comfortable and confident with the system are high. This convenience enhances their desire to embrace technology (Agarwal et al., 2019). On CSB, simplicity and easy accessibility will lead them to make more frequent use of the system, and this may translate to more spending since they can make transactions with ease.

H2: Effort expectancy significantly influences consumer spending behaviour.

Social Influence and Consumer Spending Behaviour

SI is the degree to which people are motivated or influenced by other people, including friends, family, or peers, to utilise a specific technology (Williams et al., 2015). People are more likely to consider a system as acceptable and beneficial when they can see other people using it or when they have been recommended to do so (Agarwal et al., 2019). This SI or promotion reinforces their willingness to embrace technology. Regarding spending behaviour, SI may cause people to adopt digital platforms more frequently, in particular, when such use is perceived as a norm or a preferred behaviour among friends, relatives, colleagues, and networks (Vannoy & Palvia, 2010).

H3: Social Influence significantly impacts consumer spending behaviour.

Facilitating Conditions and Consumer Spending Behaviour

FCs are those resources, support, and infrastructure that enable individuals to make use of technology more easily (Oyewole, 2018). With the support of reliable internet, technical services, and the ability to use the system, users can be more confident and competent in using the system. This makes them more willing to adhere to and use technology constantly. Strong FC provides easier and more common transactions in CSB and can support higher usage and impact spending behaviour.

H4: Facilitating conditions significantly influence consumer spending behaviour.

Mediating role of Behavioural Intention

BI plays a significant role in consumer spending behaviour because it is the willingness of a person to take an action. BI has a positive and significant influence on digital wallet usage behaviour, with perceived trust and service quality further strengthening this relationship (Khan & Abideen, 2023). As individuals develop a stronger intention to use digital payment services, they are more likely to translate that intention into actual transaction and spending behaviour.

According to UTAUT, when individuals perceive digital payment systems as easy to use, useful, socially encouraged, and supported by adequate resources, they are more likely to develop a favourable intention to use these technologies (Alduais & Al-Smadi, 2022). In addition, BI acts as a bridging mechanism explaining how favourable perceptions of digital payment systems are translated into actual CSB (Jagric et al., 2026; Shrestha et al., 2025). Studies have shown that BI serves as a key psychological mechanism through which the core UTAUT dimensions influence CSB.

H5a: Behavioural intention mediates the relationship between performance expectancy and consumer spending behaviour.

H5b: Behavioural intention significantly mediates the

relationship between effort expectancy and consumer spending behaviour.

H5c: Behavioural intention significantly mediates the relationship between social influence and consumer spending behaviour.

H5d: Behavioural intention significantly mediates the relationship between facilitating and consumer spending behaviour.

Research Methods

This research adopts a survey design to examine how digital transactions influence the spending behaviour of consumers in the Kathmandu Valley. Kathmandu Valley was selected because it is Nepal's primary economic and digital hub, characterised by the highest adoption of digital payment services and a diverse consumer population, making it an appropriate setting for the study. The survey was administered to active users of digital payment systems, with data collected over two months from March to April 2025. A convenience sampling technique was used for selecting the respondents.

The sample size was determined based on SEM guidelines (Hair et al., 2016; Bentler & Chou, 1987). The SEM technique recommends a sample size of 5–10 respondents per observed variable. Given that the study included 40 questionnaire items across six multi-item constructs, and following Jöreskog and Sörbom's (1998) recommendation of seven respondents per item, the minimum required sample size was 280 respondents. The online survey was administered via the KOBO Toolbox and was distributed through email, through social media (Facebook and WhatsApp) and messaging apps, and offline through visiting malls, local marketplaces, and university campuses in the Kathmandu Valley. In addition, among the questionnaire distribute, 289 responses were used for data analysis after data cleaning.

The structured questionnaire was organised into two parts, i.e., scale items of study variables and demographic information. A pilot study was carried out among 30 participants, aged 18 years and above, who lived in the Kathmandu Valley and had used digital payment systems within the last three months to determine how clear, coherent, well-structured, and technically functional the questionnaire was. Based on feedback from the participants, minor changes in wording and sequence were made.

In data analysis, both descriptive and inferential analyses were carried out. SPSS 23.v and SmartPLS 4.0 were used for the analysis. As the study employed well-established reflective measurement scales, the measurement model was specified as reflective. The two-stage analytical procedure (i.e., test of Measurement and structural model), as suggested by Gerbing and Anderson (1988), was utilised in PLS-SEM to evaluate the psychometric properties of the scales.

The Smart PLS 4.0 was used to carry out data analysis, which involved descriptive analysis and inferential methods to test the effects of digital transactions on consumer spending in Kathmandu Valley. Descriptive analysis provided a cumulative summary of characteristics of respondents and their spending patterns, whereas inferential analysis was used to analyse relationships between the use of digital transactions and consumer behaviour through correlation, regression, and hypothesis testing.

All the constructs used in the study were adapted from well-established literature. A five-point Likert scale ranging from "Strongly Disagree (1)" to "Strongly Agree (5)" was used to anchor the scale items. Table 1 presents the details of the key study variables, their conceptual definitions, and related sources.

Table 1. Measures and Instruments

Construct	Definition	Number of Items	Source	Items
Performance Expectancy (PE)	Belief that financial transactions through a digital medium lead to greater efficiency in financial management and goal fulfilment.	6 (3 + 3)	Alalwan et al. (2017); Zhou et al. (2010)	Usefulness, Productivity, Goal Achievement, Speed, Easy to use, Efficiency
Effort Expectancy (EE)	Perceived ease of using a digital payment system, including factors of clarity and user-friendliness.	6 (4 + 2)	Baptista and Oliveira (2015); Slade et al. (2013)	Ease of learning, User-friendliness, Ease of use, Skill acquisition, Easy to use, Assistance
Social Influence (SI)	Perception that social factors, such as significant others, facilitate the use of digital payments.	7 (3+1+3)	Baptista and Oliveira (2015); Alalwan et al. (2017); Slade et al. (2013)	Current Social Expectation, Influence of others, Social Status Perception, Valued Opinion Influence, Ability, Comfort with Technology, Support Availability
Facilitating Conditions (FC)	Perceived technical resources enable the use of digital payments.	6 (4 + 2)	Baptista and Oliveira (2015); Slade et al. (2013)	Resource Availability, Knowledge Readiness, Technology Compatibility, Supportability, Technical knowledge, System Compatibility

Behavioural Intention (BI)	Intention to adopt and continue using digital payments.	8 (4 + 4)	Talukder et al. (2014); Maharjan & KC (2023)	Social Influence, understanding information availability, Recognised accessibility, Perceived Satisfaction, Facilitating condition, Hedonic Motivation, Perceived value, Habit
Consumer Spending Behaviour (CSB)	Consumer spending patterns including frequency of purchase, preference of purchase, and expenditures resulting from purchase through a digital transaction.	7	Setiawan et al. (2020)	Routine e-Commerce Shopping, Preference for digital shopping, Higher spending on digital platforms, buying domestic products online, Buying personal products online, Shopping for leisure & Enjoyment, Easy-to-use Digital shopping

Results

Socio-Demographic Profile

The study comprised 289 respondents, with a nearly equal gender distribution, including 145 females (50.2%) and 144 males (49.8%). The majority of respondents were 18-24 years old (49.82%). Likewise, the students represent the largest group (47.1%), followed by the private-sector employees (28.7%). This sample is predominantly composed of young and economically active individuals.

Table 2. Socio-Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	144	49.8
	Female	145	50.2
Age Group	18–24 years	144	49.82
	25–34 years	79	27.3
	35–44 years	34	11.8
	45–59 years	27	9.3
	60 years and above	5	1.7
Occupation	Student	136	47.1
	Employed (Private Sector)	83	28.7
	Employed (Government Sector)	36	12.5
	Self-employed	26	9
	Unemployed	8	2.77

Note. Field Survey, 2025

General Perspective of Respondents Regarding the Impact of Digital Transaction on Consumer Spending Behaviour

Table 3 illustrates that online banking (52.2%) and mobile wallets (51.2%) emerged as the most frequently used digital payment methods. The main purposes for using digital payment services were for bill payments (62.6%) and shopping (56.4%). Nearly half of the respondents (47.1%) reported using digital payments frequently. Regarding the monthly expenditure, the majority of the respondents (30.4%) spent Rs. 5,000 – 10,000 through digital transactions.

Regarding monthly expenditure, the largest proportion of respondents (30.4%) spent Rs. 5,000–10,000 through digital transactions, followed by 28.7% who spent less than Rs. 5,000, suggesting moderate but consistent engagement with digital payment systems.

Table 3. General Perspective of Respondents

Variable	Category	Frequency	Percentage (%)
Most Frequently Used Digital Payment Method	Online Banking	151	52.2
	Mobile Wallets (eSewa, Khalti, etc.)	148	51.2
	QR Code Payments	103	35.6
	Debit/Credit Cards	66	22.8
	Others	30	10.4
Purpose of Using Digital Payment Transactions	Bill Payment	181	62.6
	Shopping	163	56.4
	Entertainment	72	24.9
	Transportation	61	21.1
	Others	68	23.5
Frequency of Digital Payment Usage	Daily	136	47.1
	Weekly	85	29.4
	Monthly	51	17.6
	Rarely	12	4.2
	Never	5	1.7
Primary Reason for Using Digital Transactions	Easy to Use	217	75.1
	Security and Safety	102	35.3
	Speed of Transaction	92	31.8
	Social Influence	26	9
	Others	27	9.3
	Discount Offers	15	5.2

Average Monthly Expenditure through Digital Transactions	Less than Rs. 5,000	83	28.7
	Rs. 5,000–10,000	88	30.4
	Rs. 10,001–20,000	53	18.3
	Rs. 20,001–40,000	30	10.4
	Above Rs. 40,000	35	12.1

Note. Field Survey, 2025

Measurement Model Assessment

The measurement model assesses the reliability and validity through factor loadings, internal consistency, composite reliability (CR), average variance extracted (AVE), and convergent validity of all the constructs.

Following the criteria of Hair et al. (2019), among the 40 scale items, 36 items with factor loadings above .40 were retained, while 4 items (i.e., EE_2, SI_1, FC_3, and BI_1) below the threshold criteria of .40 were removed. Internal consistency and composite reliability of all the constructs were greater than .70, demonstrating good consistency among the constructs. Likewise, the AVE scores of all the constructs were greater than .50, indicating that the constructs possess adequate convergent validity,

Table 4. Reliability and Validity Analysis

Coding	Latent Variables and Items	Factors Loadings	AVE	CR	Cronbach's Alpha
BI	**Behaviour Intention**				
BI_2	Understanding information availability	.664			
BI_4	Perceived Satisfaction	.712			
BI_5	Facilitating Conditions	.731	.523	.868	.817
BI_6	Hedonic motivation	.757			
BI_7	Perceived Value	.723			
BI_8	Habit	.75			
CSB	**Consumer Spending Behaviour**				
CSB_1	Routine E-commerce shopping	.682			
CSB_2	Preference for digital shopping	.722			
CSB_3	Higher Spending on Digital Platforms	.741			
CSB_4	Buying domestic products online	.777	.517	.882	.844
CSB_5	Buying personal products online	.744			
CSB_6	Shopping leisure and Enjoyment	.7			
CSB_7	Easy-to-use digital shopping	.662			
EE	**Effort Expectancy**				
EE_1	Easy learning	.732			
EE_3	Ease of use	.743			
EE_4	Skill acquisition	.754	.545	.857	.791
EE_5	Easy to use	.744			
EE_6	Assistance	.716			
FC	**Facilitating Conditions**				
FC_1	Resource availability	.699			
FC_2	Knowledge readiness	.744			
FC_4	Support ability	.716	.54	.854	.787
FC_5	Technical knowledge	.736			
FC_6	System compatibility	.775			
PE	**Performance Expectancy**				
PE_1	Usefulness	.679			
PE_2	Productivity	.539			
PE_3	Goal achievement	.768	.507	.859	.803
PE_4	Speed	.774			
PE_5	Easy to use	.751			
PE_6	Efficiency	.734			

SI	**Social Influence**		**.51**	**.839**	**.763**
SI_2	Influence of others	.688			
SI_3	Social status perception	.708			
SI_4	Valued opinion influence	.75			
SI_5	Ability	.703			
SI_6	Comfort with technology	.72			

Note. Calculations based on data from survey, 2025

Similarly, the discriminant validity (see Table 5) was assessed through the Fornell-Larcker criterion and Heterotrait–Monotrait (HTMT) Ratio. The Fornell–Larcker criterion requires the square root of the AVE for each construct to exceed its inter-construct correlation. (Fornell & Larcker, 1981). The diagonal elements represent the square roots of the AVEs, whereas the off-diagonal elements represent the inter-construct correlations. As illustrated, the square root of the AVE for each construct exceeds its highest inter-construct correlation, for example, BI (.724 > .560 with CSB) and CSB (.719 > .462 with EE), thereby satisfying the Fornell–Larcker criterion and confirming discriminant validity. The HTMT ratio was used to further test for construct distinctiveness. HTMT is a more rigorous measure than traditional approaches to discriminant validity, with values below .85 indicating adequate discriminant validity, although some researchers recommend a threshold of .90 in social sciences (Henseler et al., 2015). In this study, the HTMT ratios are below .85, supporting satisfactory discriminant validity between the constructs.

Table 5. Fornell-Larcker Criterion and HTMT Ratio

	Fornell-Larcker Criterion						HTMT Ratio					
Construct	**BI**	**CSB**	**EE**	**FC**	**PE**	**SI**	**BI**	**CSB**	**EE**	**FC**	**PE**	**SI**
BI	.724											
CSB	.560	.719					.661					
EE	.619	.462	.738				.768	.555				
FC	.672	.504	.581	.735			.834	.609	.738			
PE	.621	.456	.611	.558	.712		.760	.547	.755	.703		
SI	.611	.498	.591	.554	.478	.714	.749	.609	.737	.688	.579	

Note. Calculations based on data from survey, 2025

Structural Model Assessment

After the measurement model, the structural model was assessed by the bootstrapping technique with 10,000 resamples. In the structural model, tests such as multicollinearity, coefficient of determination, effect size, PLS-predict, and finally, hypotheses were tested.

Variance Inflation Factor (VIF) was used to assess multicollinearity, with thresholds of 3.3, 5, and 10 representing strict, moderate, and lenient criteria, respectively (Sarstedt et al., 2022). The VIF score of all the constructs was below 3.3, indicating no multicollinearity issues in the dataset.

The coefficient of determination (R^2) reveals how much of the variation in the endogenous constructs will be explained by the predictor variables. Following Falk and Miller's (1992) recommended minimum R^2 threshold of .10 and the interpretative guidelines of Hair et al. (2014), the model demonstrates satisfactory explanatory power. Specifically, the model explains 63.4% of the variance in BI, indicating substantial explanatory power, and 35.1% of the variance in CSB, indicating moderate explanatory power.

After R^2 was assessed, effect size (f^2) was estimated for the purpose of measuring the relative influences of predictor constructs on their endogenous variables (Hair et al., 2014). According to Cohen's (1988) guidelines, FC (f^2 = .31) had a moderate f^2 effect on BI, while SI (.278) had a small effect; EE (.041) and PE (.014) had minimal f^2 effects. For CSB, all the predictors maintained a small f^2 effect, with FC (.139) and SI (.111) presenting the major contribution to explaining variability. The findings indicate that FC was the primary driver of BI, while CSB was explained by multiple contributing factors.

Table 6: Predictive Relevancy

Predictors	Outcome Variable	R^2	R-square adjusted	f^2
FC				.31
SI				.278
PE	BI	.635	.612	.01
EE				.04
FC				.14
SI				.11
PE	CSB	.351	.331	.02
EE				.06
BI				.05

Note. Calculations based on data from survey, 2025

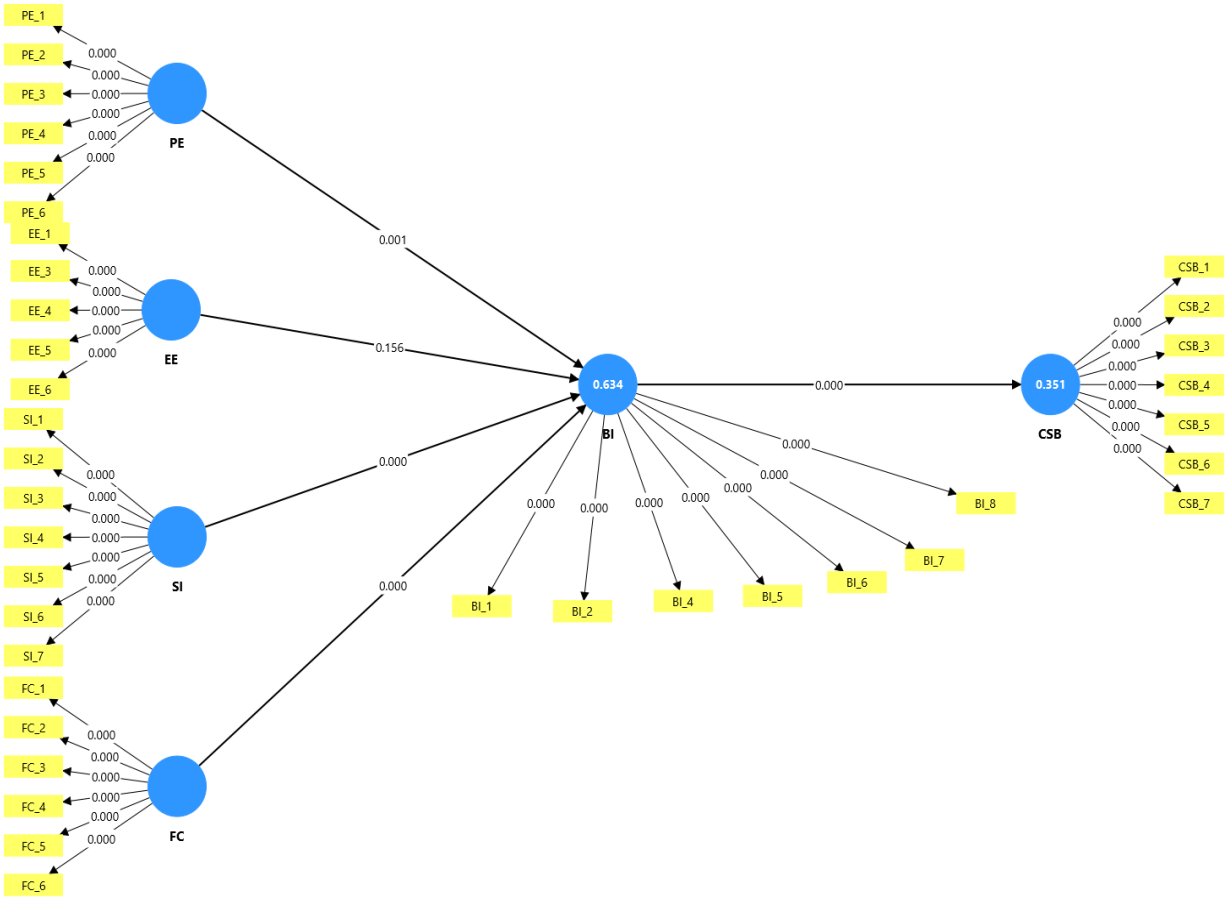


Figure 1: Conceptual Framework

Table 7 depicts that PE (β = .118, <.001), SI (β = .171, p < .001), and FC (β = .211, p < .001) have a significant positive influence on CSB, supporting H1, H3, and H4. In contrast, EE (β = .066, p = .162) did not have a significant influence on CSB; hence, H2 was rejected.

Table 7. Structural Model Result

Hypothesis	Structural Path	β	SD	t-value	LL	UL	p-value	Result
Direct Paths								
H1	PE -> CSB	0.118	.037	3.23	.056	.198	.001	Supported
H2	EE -> CSB	.066	.047	1.4	-.026	.156	.162	Rejected
H3	SI -> CSB	.171	.041	4.177	.092	.252	.000	Supported
H4	FC -> CSB	.211	.042	4.982	.131	.298	.000	Supported
Indirect Paths								
Hypothesis	**Structural Path**	**β**	**SD**	**t-value**	**LL**	**UL**	**p-values**	**Result**
$H5_a$	PE -> BI -> CSB	.134	.036	3.706	.074	.215	.000	Supported
$H5_b$	EE -> BI -> CSB	.084	.046	1.831	-.006	.172	.067	Not supported
$H5_c$	SI -> BI -> CSB	.128	.042	3.045	.048	.212	.002	Supported
$H5_d$	FC -> BI -> CSB	.182	.039	4.651	.11	.263	.000	Supported

Note. Calculations based on data from survey, 2025

The mediating role of BI was examined to determine whether it transmitted the effects of the predictors on CSB. The results supported three of the four mediation hypotheses. BI significantly mediated the relationships between PE (β = .134, p < .001), SI (β = .128, p = .002), and FC (β = .182, p < .001) and CSB. In contrast, the indirect effect of EE was not significant (β = .084, p = .067), indicating that behavioural intention did not mediate its relationship with CSB.

Discussion

Based on UTAUT, the study examined the influence of PE, EE, SI, and FC on CSB, through the mediating role of BI among the consumers in Kathmandu Valley.

The positive relationship between PE and CSB is consistent with the findings of Venkatesh et al. (2003) and Rahi et al. (2019), who identified PE as a key determinant of technology adoption. This finding suggests that consumers are more likely to engage in digital transactions when they perceive them as useful and effective in managing their financial activities. The result also aligns with Oliveira et al. (2016), who reported that PE significantly influenced digital banking adoption, highlighting the cross-cultural relevance of this construct. Collectively, these findings provide further support for the UTAUT framework, which posits that perceived usefulness is a fundamental driver of technology adoption and continued usage.

In contrast, the relationship between EE and CSB was not supported. This finding contrasts with the results of previous studies (e.g., Davis, 1989; Ghalandari, 2012; Li et al., 2024), which identified effort expectancy as a significant predictor of technology acceptance. Nevertheless, the insignificant relationship between EE→CSB in the presented context may be due to changes in consumer behaviour because of greater levels of digital literacy. Perceived ease of use decreases as consumers grow more experienced and familiar with digital interfaces. This interpretation is also consistent with recent research provided by Alalwan et al. (2017), who propose that when the threshold of usability is achieved, other aspects such as trust, utility, and SI are more likely to affect digital behaviour.

Similarly, the relationship between FC and CSB was supported, which means that when consumers feel that they have sufficient infrastructural support, including internet connectivity, safe platforms, and institutional backing, they will be inclined to spend on online platforms. This finding is in line with the work of Franke and Sarstedt (2019) and Martins et al. (2014), highlighting FC as a key facilitator in the uptake of digital banking services. This could refer to recent progress in Fintech infrastructure and more favourable policy provisions in the context of Nepal, including the adoption of QR payment systems and the introduction of mobile banking systems into traditional services.

BI significantly mediated the relationship between PE, SI, and FC with CSB, highlighting that these factors influence spending behaviour primarily by strengthening users' intention to adopt digital transactions. These findings are consistent with prior studies (Alalwan et al., 2017; Alalwan et al., 2018; Baptista & Oliveira, 2015; Li et al., 2024), which identify BI as the key mechanism through which technology adoption factors translate into actual usage behaviour. In contrast, BI did not mediate the relationship between EE and CSB, demonstrating that ease of use is no longer a decisive factor in shaping users' intentions in a digitally mature environment, consistent with the findings of Slade et al. (2013).

Therefore, the results of the study confirm that UTAUT has a strong theoretical foundation to describe the dynamics of adoption of digital transactions and their behavioural implications. Nonetheless, the insignificant relation of EE to the possibility of a contextual shift, which implies the necessity to modify traditional technology acceptance models to be able to embrace such variables as trust, perceived risk, and habit that are increasingly important in digital finance studies. The study adds to the increasing literature on the multidimensional causes of digital financial behaviour and forms the basis of future research into the changing consumer behaviour in the digital economy.

Conclusion and Implications

The findings underline that CSB in the digital ecosystem is fundamentally driven by users' BI rather than by the technological features of the payment system itself. PE, SI, and FC significantly influence CSB by strengthening users' intention to adopt digital transactions. The mediating role of BI in the relationship between PE→CSB, SI→CSB, and FC→CSB highlights BI as the central mechanism linking technology perceptions to actual consumer behaviour. Likewise, the insignificance of EE highlights that ease of use has become a baseline expectation rather than a competitive differentiator among digital payment users.

Digital transactions have become central to daily financial activity, especially in paying bills and shopping. The fact that consumers are heavy users of mobile wallets and online banking is a sign that they are motivated by convenience and efficiency and consider digital payments as effective mechanisms for simple financial processes.

The study extends the behavioural finance literature by highlighting the role of technological accessibility, informal learning, and socioeconomic context in shaping digital financial behaviour, providing empirical support for context-specific behavioural finance models.

- Practically structured financial literacy opportunities and accessibility via innovative and user-friendly digital mediums could positively influence people's spending decisions and promote responsible spending.
- Digital payment providers should prioritise enhancing the perceived usefulness of their platforms by offering faster, more reliable, and value-added financial services to strengthen users' behavioural intentions.
- SMEs and consumers can improve financial management and spending behaviour during transactions through budget management, maintaining digital records, and financial planning through digital formats.
- Policymakers and regulators should encourage financial literacy programs for SME and consumer ownership, provide different tools for consumer ownership, offer a flexible regulatory environment, and induce partnerships to improve sustainable digital spending behaviour.

This study is limited in scope as it only examined urban consumers in the Kathmandu Valley and only utilised the UTAUT model to understand consumer behaviour, which excludes considerations of other variables such as trust, perceived risk, habit, financial literacy, and perceived security. Future research can also include consumers in rural areas, employing other behavioural and contextual variables. Other frameworks of consumer behaviour, such as the TAM or TPB, can also be used for a deeper understanding of digital finance adoption and consumer spending behaviour in emerging economies.

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Conflict of Interest

The authors declare that there is no conflict of interest.

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Data Availability Statement

The data supporting the study are available from the corresponding author upon reasonable request and subject to appropriate ethical and confidentiality considerations.

Authors Contributions

Santosh Khadka: Conceptualization, Methodology, Investigation, Data Collection, Original Draft, and Writing—Review and Editing.

Mijala Kayestha: Data Analysis, Software, Resources, Analysis, Visualization, Supervision, Review and Editing.

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Disclosure of AI Use

The author used AI-based tools, including Grammarly for grammar checking and language refinement, and paraphrasing tools such as QuillBot to improve clarity and readability. These tools were used solely for linguistic enhancement. No generative AI tools were used to create original content, develop ideas, or conduct any part of the study. The author retains full responsibility for the accuracy, integrity, and originality of the manuscript.