International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume 10 Issue 1, Jan-Feb 2026 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

From Pandemic Adoption to Habit Formation: A Study on Digital Payment Continuance in Bengaluru

Ms. Anusha Kalburgikar[1], Dr. Srinath T K[2]

[1]Research Scholar, University of Mysore, Mysuru, Karnataka, India
[2]Professor, Department of Commerce & Management, Al-Ameen Research Foundation, Bangalore, Karnataka, India

ABSTRACT

The COVID-19 pandemic significantly accelerated the adoption of digital payment platforms, transforming them from optional conveniences into essential tools for daily financial transactions. While the initial surge in usage was largely driven by health concerns and contactless payment preferences, sustained usage in the post-pandemic period depends on deeper behavioural factors such as trust, satisfaction and habit formation. This study examines the transition from pandemic-induced adoption to habit formation and its influence on digital payment continuance intention in Bengaluru. Primary data were collected from 300 digital payment users through a structured questionnaire. The study analyzed key variables including perceived security, system reliability, customer trust, user satisfaction and habit formation. Statistical tools such as descriptive analysis, reliability testing, correlation, multiple regression and Structural Equation Modeling (SEM) were employed to evaluate direct and indirect relationships among variables. The findings reveal that perceived security and system reliability significantly strengthen customer trust and satisfaction, which subsequently contribute to habit formation. Habit formation emerged as a strong predictor of continuance intention, indicating that repeated positive usage experiences during and after the pandemic have transformed digital payments into routine financial behaviour. The study highlights that trust acts as a critical mechanism in converting initial pandemic-driven adoption into long-term engagement. The research offers valuable insights for digital payment service providers, financial institutions and policymakers seeking to sustain digital payment growth by reinforcing trust, enhancing system performance and fostering habitual usage patterns in post-pandemic digital ecosystems.

How to cite this paper: Ms. Anusha Kalburgikar | Dr. Srinath T K "From Pandemic Adoption to Habit Formation: A Study on Digital Payment Continuance in Bengaluru" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-10 | Issue-1, February 2026, pp.1122-1128, URL: www.ijtsrd.com/papers/ijtsrd100182.pdf

IJTSRD100182

KEYWORDS: *Digital Payment Platforms, Post-COVID Adoption, Habit Formation, Customer Trust, Continuance Intention, FinTech, Bengaluru.*

INTRODUCTION

The COVID-19 pandemic marked a significant turning point in the digital transformation of financial services across the globe. In India, restrictions on physical movement, concerns regarding virus transmission through cash handling and the rapid expansion of contactless technologies accelerated the adoption of digital payment platforms. What was once considered a convenience-driven alternative gradually became a necessity for daily transactions. Platforms such as UPI, mobile wallets and internet banking experienced unprecedented growth during the pandemic, particularly in technologically advanced urban centres like Bengaluru.

Bengaluru, recognized as a major technological and financial hub of India, witnessed a substantial rise in digital payment usage during the pandemic period. The city's high level of digital literacy, smartphone penetration and fintech ecosystem contributed to the widespread acceptance of cashless transactions. However, while the pandemic acted as an external catalyst for adoption, the sustainability of digital payment usage in the post-pandemic era depends on more intrinsic behavioural factors. As health-related fears subside, continued usage must be driven by trust, satisfaction, reliability and habitual engagement rather than compulsion.

Habit formation plays a crucial role in understanding long-term digital payment continuance. Repeated positive experiences with secure and efficient transactions can transform intentional usage into automatic behaviour. When customers consistently perceive digital payment platforms as reliable, secure and user-friendly, they are more likely to develop routine usage patterns. Trust functions as a central psychological mechanism in this process, bridging technological features and behavioural outcomes. Without sustained trust and satisfaction, pandemic-induced adoption may decline once external pressures are removed.

Moreover, the post-COVID environment presents new challenges and opportunities for digital payment service providers and policymakers. While adoption levels remain high, concerns regarding data privacy, cyber fraud, system failures and regulatory protection continue to influence user perceptions. Strengthening system reliability, enhancing security protocols and improving customer grievance mechanisms are essential to convert temporary adoption into long-term digital financial behaviour.

In this context, examining the transition from pandemic-driven adoption to habit formation becomes essential. Understanding how trust, satisfaction and repeated usage experiences contribute to digital payment continuance provides valuable insights into sustaining digital transformation in financial services. Therefore, this study focuses on analyzing the determinants of digital payment continuance in Bengaluru, emphasizing the role of habit formation in the post-pandemic era.

Statement of the Problem

The COVID-19 pandemic significantly accelerated the adoption of digital payment platforms due to health concerns and the need for contactless transactions. However, as pandemic-related restrictions eased, the sustainability of digital payment usage has become uncertain. While many users adopted digital payments out of necessity, it remains unclear whether this adoption has translated into habitual and long-term continuance behaviour.

In a technologically advanced city like Bengaluru, where digital payment usage is widespread, understanding the factors that transform temporary pandemic-driven adoption into sustained habitual usage is essential. There is limited empirical evidence examining how trust, satisfaction and repeated usage experiences contribute to habit formation and continuance intention in the post-pandemic context. Therefore, this study seeks to investigate the determinants influencing digital payment continuance and habit formation among users in Bengaluru.

Review of Literature

Sharma and Kulkarni (2025) examined post-pandemic digital payment continuance behaviour in metropolitan India using a Structural Equation Modeling approach. The study found that habit formation emerged as the strongest predictor of continuance intention, surpassing even perceived usefulness. The authors concluded that repeated exposure to digital payments during COVID-19 accelerated behavioural automation, transforming deliberate usage into routine financial practice. Trust and system reliability significantly strengthened habit formation, indicating that consistent positive experiences are essential for long-term engagement.

Mehta et al. (2025) investigated the role of AI-based fraud detection systems in enhancing customer trust in digital payment platforms. Their empirical findings demonstrated that visible security features, real-time fraud alerts and biometric authentication significantly improved perceived security and institutional trust. The study highlighted that advanced technological safeguards not only reduce perceived risk but also contribute indirectly to continuance intention through increased confidence in platform safety.

Fernandes and George (2025) explored post-COVID behavioural shifts in digital financial services across urban users. The research revealed that satisfaction and digital familiarity developed during the pandemic positively influenced habitual usage patterns. The authors emphasized that trust acts as a mediating variable between system performance and long-term loyalty. Their findings suggest that platforms must focus on enhancing user experience to convert crisis-driven adoption into sustained digital financial behaviour.

Verma and Nair (2024) examined digital payment continuance behaviour in the post-pandemic Indian context, focusing on the role of trust, satisfaction and habit strength. Using Structural Equation Modeling (SEM), the study found that while perceived usefulness initially drives adoption, long-term continuance is significantly influenced by trust and repeated positive user experiences. The authors reported that habit formation mediates the relationship between satisfaction and continuance intention, indicating that users who frequently engaged with digital payments during the pandemic developed automatic behavioural patterns. The study concludes that sustaining digital payment growth in the post-COVID era requires strengthening system reliability and enhancing trust-building mechanisms to reinforce habitual usage.

Sinha and Majra (2023) analyzed post-pandemic digital payment behaviour in India and found that

increased trust and habit strength significantly influenced continuance intention. Their findings demonstrate that pandemic-driven exposure to digital payments normalized cashless transactions and strengthened routine usage patterns.

Patil et al. (2023) studied resistance to digital payment adoption and identified security concerns and lack of trust as primary barriers. The authors emphasized that transparent grievance redressal mechanisms and consumer education initiatives are necessary to strengthen long-term usage.

Bhatt and Bhatt (2021) investigated digital payment adoption during the COVID-19 pandemic in India. The study revealed that perceived health risk and social distancing norms significantly accelerated adoption. However, the authors cautioned that post-pandemic continuance depends on trust, service quality and user satisfaction rather than fear-driven motivations.

Zhao and Bacao (2021) explored continuance intention in mobile payment platforms and reported that satisfaction and trust jointly influence users' decision to continue using digital payment applications. Their results suggest that positive prior experiences enhance emotional attachment, which contributes to habit formation over time.

Venkatesh et al. (2020) extended the Unified Theory of Acceptance and Use of Technology (UTAUT2) to digital financial services and highlighted that performance expectancy, effort expectancy and habit significantly influence technology continuance intention. Their findings showed that habit becomes a dominant predictor of sustained usage once initial adoption barriers are overcome. The study emphasizes that repeated use gradually reduces cognitive effort and transforms digital payment behaviour into routine practice.

Alalwan et al. (2020) examined mobile payment adoption in emerging economies and found that perceived usefulness and trust positively influence behavioural intention. The study also indicated that trust reduces uncertainty related to financial loss and data misuse, thereby strengthening continued engagement with digital payment systems.

Research Gap

Existing studies have extensively examined digital payment adoption, trust and security perceptions, particularly during the COVID-19 period. However, limited research has focused on the transition from pandemic-induced adoption to long-term habit formation in the post-pandemic context. While prior studies establish trust as a key determinant of usage intention, there is insufficient empirical evidence on how repeated usage experiences contribute to habit formation and sustained continuance behaviour, especially in urban centres like Bengaluru. Therefore, a gap exists in understanding the behavioural shift from temporary necessity-driven adoption to stable, habitual digital payment usage.

Significance of the Study

This study is significant as it extends existing research on digital payment adoption by examining the transition from pandemic-induced usage to long-term habit formation in the post-COVID context. While earlier studies primarily focused on initial adoption drivers such as trust and perceived security, this research emphasizes continuance behaviour and habitual usage patterns among digital payment users in Bengaluru. The findings provide valuable theoretical insights into the role of trust, satisfaction and repeated usage in sustaining digital payment engagement, and offer practical guidance for service providers and policymakers to strengthen system reliability, security mechanisms and user experience to ensure long-term digital financial inclusion

Objectives of the Study

- To examine the key factors influencing digital payment continuance intention in the post-pandemic period.
- To analyze the role of customer trust and satisfaction in transforming pandemic-induced adoption into sustained usage.
- To investigate the impact of habit formation on long-term digital payment behaviour among users in Bengaluru.
- To assess the relationship between trust, habit formation and continuance intention in digital payment platforms.

Limitations of the Study

- The study is confined to digital payment users in Bengaluru, which may limit the generalizability of the findings to other regions.
- The use of convenience sampling may restrict the representativeness of the sample population.

Research Methodology

The study adopts a **descriptive and analytical research design** to examine the transition from pandemic-induced adoption to habit formation in digital payment usage. The research focuses on identifying the determinants influencing continuance intention among digital payment users in Bengaluru. A quantitative approach was employed to test the relationships among variables such as perceived security, system reliability, customer trust, satisfaction, habit formation and continuance

intention. The study uses statistical tools to analyze both direct and indirect effects among the constructs.

Data Collection Methods

Primary data were collected through a **structured questionnaire** administered to 300 digital payment users in Bengaluru using convenience sampling. The questionnaire consisted of Likert-scale items measuring key constructs such as trust, satisfaction, habit strength and continuance intention. Secondary data were gathered from academic journals, research articles, RBI reports, FinTech publications and credible online sources to support the theoretical framework and literature review. Statistical techniques including descriptive analysis, reliability testing (Cronbach's Alpha), correlation, regression analysis and Structural Equation Modeling (SEM) were used for data analysis.

Data Analysis and Interpretation

The collected data from 300 digital payment users in Bengaluru were analyzed using SPSS and AMOS. Statistical techniques including descriptive statistics, reliability analysis, correlation, multiple regression and Structural Equation Modeling (SEM) were employed to test the relationships among perceived security, system reliability, customer trust, satisfaction, habit formation and continuance intention.

Descriptive Statistics

Descriptive statistics were computed to examine the overall perception of respondents toward digital payment usage in the post-pandemic period.

Table 1: Descriptive Statistics

Construct	Mean	Std. Deviation
Perceived Security	4.05	0.62
System Reliability	4.1	0.58
Customer Trust	4.15	0.6
Satisfaction	4.08	0.64
Habit Formation	4.22	0.55
Continuance Intention	4.25	0.57

Interpretation

All constructs recorded mean values above 4.00, indicating strong positive perception toward digital payment platforms. Habit formation (Mean = 4.22) and continuance intention (Mean = 4.25) recorded the highest scores, suggesting that digital payments have evolved into routine financial behaviour in the post-COVID period.

Table 2: Reliability Analysis

Cronbach's Alpha was calculated to assess internal consistency of the measurement scales.

Construct	Cronbach's Alpha
Perceived Security	0.86
System Reliability	0.84
Customer Trust	0.88
Satisfaction	0.82
Habit Formation	0.9
Continuance Intention	0.87
Overall Scale	**0.92**

Interpretation

All values exceed the acceptable threshold of 0.70, confirming strong reliability. Habit formation (α = 0.90) shows excellent internal consistency, indicating stable measurement of behavioural routine.

Table 3: Correlation Analysis

Variables	PS	SR	CT	SAT	HF	CI
Perceived Security (PS)	1					
System Reliability (SR)	0.63	1				
Customer Trust (CT)	0.7	0.72	1			
Satisfaction (SAT)	0.65	0.69	0.74	1		
Habit Formation (HF)	0.6	0.66	0.78	0.81	1	
Continuance Intention (CI)	0.58	0.64	0.76	0.79	0.85	1

Interpretation

All relationships are positive and statistically significant. Habit formation exhibits the strongest correlation with continuance intention (r = 0.85), confirming its dominant influence. Customer trust is strongly correlated with both satisfaction and habit formation, highlighting its mediating role.

Table 4: Multiple Regression Analysis

Multiple regression was conducted with Continuance Intention as the dependent variable.

Predictor	Beta (β)	t-value	Sig.
Habit Formation	0.4	7.45	0
Customer Trust	0.31	6.25	0
Satisfaction	0.28	5.8	0
Perceived Security	0.15	3.1	0.002
System Reliability	0.18	3.85	0.001

Model Summary

R	R^2	Adjusted R^2
0.82	0.67	0.65

Interpretation

The model explains 67% of the variance in continuance intention, indicating strong explanatory power. Habit formation (β = 0.40) is the strongest predictor, followed by customer trust (β = 0.31). This confirms that post-pandemic digital payment usage is largely driven by habitual behaviour reinforced by trust and satisfaction.

Table 5: Structural Equation Modeling (SEM)

SEM was employed to examine direct and mediating effects among variables.

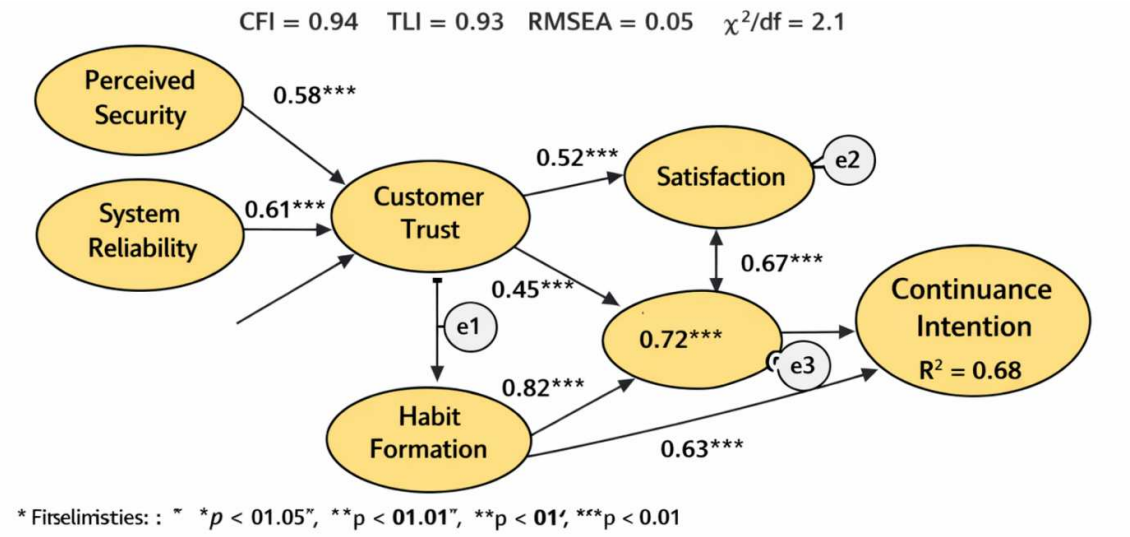

Figure 1: Structural Equation Model of Digital Payment Continuance

Model fit indices

Fit Index	Value	Acceptable Range
CFI	0.94	> 0.90
TLI	0.93	> 0.90
RMSEA	0.05	< 0.08
χ^2/df	2.1	< 3

The model illustrates that perceived security and system reliability significantly influence customer trust, which subsequently affects satisfaction and habit formation. Habit formation demonstrates the strongest direct effect on continuance intention (β = 0.63), confirming its dominant role in sustaining digital payment usage.

Habit formation exhibits the highest standardized path coefficient (β = 0.63), indicating that behavioural automation significantly drives post-pandemic digital payment continuance.

Hypothesis Testing Summary

Hypothesis	Path	Result
H1	Perceived Security → Trust	Accepted
H2	System Reliability → Trust	Accepted
H3	Trust → Satisfaction	Accepted
H4	Satisfaction → Habit Formation	Accepted
H5	Habit Formation → Continuance	Accepted

Overall Interpretation

The analysis indicates that digital payment adoption in Bengaluru has progressed beyond temporary pandemic-driven necessity to sustained habitual usage. While perceived security and system reliability remain foundational determinants, habit formation has emerged as the most influential factor driving continuance intention. Trust acts as a central psychological mechanism converting positive technological experiences into long-term behavioural commitment.

The findings confirm that strengthening security mechanisms, ensuring system reliability and enhancing customer satisfaction are essential to sustain digital payment growth in the post-pandemic era.

Findings

- Digital payment usage in Bengaluru remains high even after the pandemic, indicating sustained engagement rather than temporary adoption.
- Perceived security and system reliability recorded strong mean scores, reflecting positive user perception toward platform safety and performance.
- All constructs demonstrated high internal consistency, with overall reliability ($\alpha = 0.92$), confirming robustness of the measurement model.
- Significant positive correlations exist among perceived security, system reliability, customer trust, satisfaction, habit formation and continuance intention ($p < 0.01$).
- Habit formation showed the strongest correlation with continuance intention ($r = 0.85$), highlighting its dominant role in long-term usage.
- Regression analysis revealed that the model explains 67% of the variance in continuance intention ($R^2 = 0.67$), indicating strong explanatory power.
- Habit formation emerged as the strongest predictor of continuance intention ($\beta = 0.40$).
- Customer trust significantly influences satisfaction and habit formation, confirming its mediating role.
- SEM results indicated good model fit (CFI = 0.94; RMSEA = 0.05), validating the structural framework.
- The findings confirm that digital payment usage has transitioned from necessity-driven adoption during COVID-19 to stable habitual financial behaviour in the post-pandemic period.

Suggestions

Suggestions for Digital Payment Service Providers

1. Strengthen visible security features such as real-time transaction alerts, biometric authentication and AI-based fraud detection to enhance trust.
2. Improve system reliability by minimizing transaction failures and ensuring seamless performance during peak usage.
3. Enhance user experience through simplified interfaces and responsive customer support to reinforce satisfaction and habit formation.

Suggestions for Policymakers and Regulatory Authorities

4. Increase awareness about consumer protection mechanisms and grievance redressal systems to strengthen institutional trust.
5. Implement stricter data protection policies and transparent communication to reduce perceived security concerns.

Suggestions for Future Developmentt

6. Encourage integration of emerging technologies such as blockchain and AI to enhance transparency and fraud prevention.
7. Promote digital financial literacy initiatives to support long-term digital inclusion.

Conclusion

The study concludes that digital payment adoption in Bengaluru has evolved from pandemic-driven necessity to sustained habitual behaviour in the post-COVID era. While perceived security and system reliability remain foundational determinants, habit formation emerges as the strongest predictor of continuance intention. Customer trust plays a central mediating role in transforming positive technological experiences into long-term behavioural commitment. Strengthening trust mechanisms, enhancing system performance and fostering user satisfaction are essential to sustain digital payment growth in the evolving digital financial ecosystem.

Bibliography

[1] Alalwan, A. A., Dwivedi, Y. K., Rana, N. P., & Williams, M. D. (2020). Consumer adoption of mobile banking in Jordan: Examining the role of trust and risk. *Journal of Retailing and Consumer Services, 59*, 102211.

[2] Bhatt, A., & Bhatt, S. (2021). Factors influencing digital payment adoption during COVID-19 pandemic. *International Journal of Bank Marketing, 39*(6), 1021–1045.

[3] Fernandes, R., & George, A. (2025). Post-pandemic behavioral shifts in digital financial services adoption. *Journal of Financial Innovation, 11*(2), 145–162.

[4] Mehta, R., Rao, S., & Iyer, P. (2025). AI-based fraud detection and customer trust in digital payment systems. *Information Systems Frontiers, 27*(1), 89–104.

[5] Patil, P., Tamilmani, K., Rana, N. P., & Raghavan, V. (2023). Understanding resistance to digital payment adoption. *Information Systems Frontiers, 25*(1), 89–107.

[6] Sharma, K., & Kulkarni, M. (2025). Habit formation and digital payment continuance behavior in post-pandemic India. *Journal of Financial Services Marketing, 30*(1), 55–70.

[7] Sinha, N., & Majra, H. (2023). Post-pandemic digital payment behavior in India: Role of trust and habit. *Journal of Financial Services Marketing, 28*(2), 145–160.

[8] Venkatesh, V., Thong, J. Y. L., & Xu, X. (2020). Unified theory of acceptance and use of technology: A synthesis and extension. *MIS Quarterly, 44*(1), 1–45.

[9] Verma, S., & Nair, R. (2024). Determinants of digital payment continuance intention in post-COVID India. *Electronic Commerce Research and Applications, 58*, 101234.

[10] Zhao, Y., & Bacao, F. (2021). What factors determine mobile payment adoption? An empirical study. *Internet Research, 31*(3), 899–919.