

A Review of the Relationship between Third-Party Payment and College Students' Consumption Behavior

-- The Mediating Effect Based on Social Influence

Luqiao Huang *, Dr. Manuelita G. Valencia

Graduate School, Angeles University Foundation, Angeles City, Philippines

* Corresponding author: (Email: huang.luqiao@student.auf.edu.ph)

Abstract: The widespread adoption and inherent convenience of third-party payments have significantly reshaped the consumption habits and structure of college students. This kind of social influence, manifested as imitating others and following group norms, is a key factor influencing college students' consumption choices. This study, through the method of literature review, referred to relevant research on this topic both domestically and internationally, clarified the key concepts, examined the impact of such payments on the consumption of higher education students, and explored the effect of social influence in it. This study underscores that in the digital economy, understanding the interaction between payment platforms and social influence is crucial for promoting responsible consumption among college students.

Keywords: Third-party payment; College students' consumption behavior; Social Influence.

1. Introduction

With the acceleration of technological evolution, electronic payment has become an important means for social and economic operations. The digital economy, relying on artificial intelligence, digital revolution and blockchain technology, not only enhances the efficiency of resource allocation, but also promotes the development of business models and the formation of new business forms [1]. Third-party payment platforms, as an important infrastructure of the digital economy, offer secure and efficient settlement services and are widely used in various scenarios such as consumption, travel and fund transfer. The two typical payment platforms are WeChat and Alipay. Due to their convenient operation and wide range of application scenarios, they have become very popular among the younger population. This group has a high payment frequency and is sensitive to prices and discounts [2]. Studies have shown that mobile payment not only improves the efficiency of consumption but also significantly reduces payment constraints, which makes college students more likely to have impulsive and forward-thinking consumption behaviors [3]. Compared with cash and bank cards, third-party payment has more advantages in dining, shopping and online consumption, especially in online shopping and food delivery scenarios [4]. Furthermore, the red envelopes, coupons, and points exchange programs launched by these platforms have further stimulated students' irrational consumption [5].

Meanwhile, due to the limited social space available to college students and their immature thinking, the opinions of their classmates, friends, family members, and online media can significantly influence their thoughts, which leads to the phenomenon of "peer influence", thus leading to herd consumption behavior [6]. However, some studies have found that some students have begun to use the bill and analysis functions of payment platforms for consumption management, and their rational awareness has improved [7].

Overall, electronic payment has enhanced the convenience

of consumption, but it has also led to impulsive spending and debt risks. In this context, it is of great significance to explore the consumption choices and irrational characteristics of college students.

2. Relevant Concepts and Connotations

2.1. The Concept of Third-Party Payment

Third-party payment is a form of payment distinct from the banking system. It is facilitated by independent institutions that have obtained the necessary qualifications. As intermediaries in the transactions, they provide services such as the transfer and settlement of monetary funds for both buyers and sellers. Examples include Alipay and WeChat Pay. Although these institutions do not fall under traditional banks, they typically hold the "Payment Business License" issued by the People's Bank of China and can conduct online and offline transfers, settlements, and information processing [8]. In the era of mobile connectivity, third-party payment has rapidly developed as an important link connecting consumers and merchants. Mobile terminals have gradually become the main payment medium, enhancing payment efficiency and driving business model changes. However, while third-party payment has expanded rapidly, it has also exposed numerous problems. Its low usage threshold and high convenience have attracted a large number of users, but the regulatory system is not yet complete, the market competition is disorderly, product homogeneity is severe, and the profit space is squeezed. Therefore, promoting industry standardized development, strengthening coordination with the banking system, and improving the regulatory mechanism has become a key direction for the long-term development of digital payment [9].

2.2. College Students' Consumption Behavior

Students at the higher education level have a distinctive consumption pattern, which is influenced by various factors. Research has found that online product information and the consumption experiences of peers can influence the

purchasing behavior of students at the higher education stage. Moreover, this peer effect will further enhance the convergence of consumption behaviors within the group [10]. Meanwhile, due to its convenient operation, wide range of choices, and frequent promotional activities, online purchasing has greatly changed the consumption patterns of students [11]. In addition, individual differences such as gender, grade level, and living expenses also affect their purchasing power and structure. Some students have incurred debts due to the use of credit cards or short-term borrowing tools [12]. Overall, college students still lack systematic financial management awareness and ability. Existing studies have shown that the habit of keeping accounts and reasonable financial planning will help improve consumption rationality. However, the high convenience and credit support brought by third-party payment systems enhance excessive consumption and debt risks while improving transaction efficiency [13].

2.3. Overview of Social Influence

Against the backdrop of prevalent social media use, social influence is a key driver for students' payment behavior, among which peer influence is particularly prominent. The research indicates that social media, while meeting the information acquisition and social needs of college students, also to some extent limits their ability to make independent judgments [14]. College students mainly rely on platforms such as WeChat, Alipay, QQ, Xiaohongshu, and Douyin to obtain payment and consumption information, making them more susceptible to the influence of friends, social networks, and advertising content, and imitating others' payment methods during promotional periods [15]. In an environment with highly interconnected information, the herd mentality is further amplified, and digital payment decisions are no longer solely based on rational calculations but are continuously guided by the behavioral patterns of the social circle. Relevant studies have shown that algorithmic recommendations and consumption trend displays in social media can significantly enhance individuals' consumption intentions [16]. The students' interactions and experience sharing on these online platforms have enhanced their trust in the products and payment methods recommended by others, thereby triggering purchase behavior. Even if there is no actual connection between the recommender and the consumer, individuals may still choose to follow due to group identification, highlighting the deep influence of social media on consumption decisions [17].

Furthermore, these platforms have also incorporated social influence mechanisms into their functional design. For instance, the "Friends Circle" feature on WeChat, which includes functions such as display, sharing, and comments, enables payments to be "seen". This study found that the frequency of interaction within social networks and the dissemination of information directly affect students' willingness to use payment methods, and social circles have become an important factor driving students to frequently use payment methods [18]. Thus, social influence not only shapes the payment preferences of college students but also continuously strengthens their digital payment behaviors through the structure of social media and platform mechanisms.

3. Third-party Payment Influences the Consumption Behavior of College Students

The current research indicates that higher education students are more concerned about the convenience of payment, property protection, discount levels, and credit mechanisms. These factors not only influence the payment choices, but also have certain impacts on their consumption cognition, psychological expectations, and decision-making processes [19-21].

3.1. Convenience

Convenience is a significant advantage of third-party payment. Relevant studies have shown that digital financial payment, by simplifying the transaction process and improving efficiency, has significantly influenced the consumption cognition and behavior patterns of students in higher education [22]. The wide application of mobile payment has shortened the payment time and enhanced the consumption motivation [23]. They have a higher acceptance of emerging technologies, and they are more likely to form a reliance on mobile payment. However, the weak perception feature of the payment process somewhat reduces the reality of monetary expenditure, thereby increasing the possibility of irrational or excessive consumption [21]. Furthermore, digital payment is applicable in common daily scenarios such as online shopping, dining, and daily transactions, further lowering the consumption threshold [24]. The ease of payment combined with a lack of financial risk awareness is more likely to lead to impulsive consumption behavior among the student population [25].

3.2. Security

Security is a crucial factor for college students when choosing payment methods. Third-party payment platforms enhance the security level of the payment process through measures such as setting transaction passwords, multiple verifications, and biometric recognition, thereby increasing user trust and usage frequency [26]. However, the improvement of security may reduce risk perception while also weakening consumption constraints, thereby increasing the frequency of impulsive and credit consumption [27, 28]. At the same time, data leakage and privacy protection issues remain common risk factors for college students, indicating that payment security has both positive and negative impacts on their payment decisions.

3.3. Credit Function

Higher education students show great interest in the credit mechanism and "pay-as-you-go" service provided by payment platforms, which enables them to alleviate short-term payment pressure during this process [12]. However, relevant studies have pointed out that such functions may also reduce consumption constraints, trigger unnecessary expenditures, and increase personal financial burdens [29]. At the attitudinal level, college students' perception of credit payment is not uniform: some students believe it enhances consumption flexibility, while others are cautious about the potential debt risks [21]. Furthermore, factors such as product satisfaction, usage reviews, and perceived utility all have a positive impact on continued use of the product [30]. This indicates that the influence of the credit function on consumer behavior is not only dependent on individual decisions but is

also influenced by the social environment as a whole.

3.4. Discount Promotion

The promotional strategies of these platforms have a significant appeal to college students. Some marketing strategies, such as discount promotions, points-based shopping, and red envelope rewards, have significantly enhanced their willingness to consume and desire to purchase [31, 32]. The research indicates that the greater the discount, the stronger the promotion effect on purchase intentions, and the way discount information is obtained also affects the promotional effect. Compared with offline channels, college students are more likely to obtain promotional information through the internet, thereby enhancing the appeal of online purchases [33]. Additionally, the precise advertising push based on big data increases consumption frequency while also raising concerns about privacy security [34]. In the new marketing methods, product placement and live shopping models have been deeply integrated into film and television content as well as common social platforms, exerting a subtle influence on students' purchasing decisions. Moreover, live shopping can enhance the viewing experience and purchase intention of the audience through the host's expertise and interactive atmosphere [35, 36].

Overall, digital payment tools have attracted users with their convenient and secure payment experience. Moreover, they have significantly increased market penetration rates through credit support and consumption discounts.

4. The Mediating Effect of Social Influence Between Third-Party Payment and College Students' Consumption Behavior

The concept of informational social influence explains that individuals understand situations and make decisions based on the information provided by others. College students mainly obtain payment and consumption information through social media, platform evaluations, and online content. The rise of online finance has significantly enhanced the efficiency of information acquisition and has also had an impact on people's consumption structure [37]. New marketing methods such as WeChat public accounts and live streaming have continuously strengthened students' desire for consumption [36]. Correspondingly, normative social influence emphasizes that individuals follow common norms to gain group recognition. Currently, the use of digital payment tools has become a widespread trend. This consensus has prompted more students to adopt the same payment method in order to integrate into their social circles. Research shows that social relationship networks have a significant impact on their shopping behaviors, indicating that normative social influence is of great significance [38].

In recent years, social platforms, peer recommendations, and group behaviors have continuously influenced college students' consumption choices through continuous information interaction. They often share their consumption experiences on social networks and in their friend circles, which can affect brand perception and consumption habits. Research has found that social platform recommendations and friends' purchase behaviors can significantly enhance college students' purchase intentions [39]. In the context of highly convenient third-party payment, platform discounts and friend recommendations further enhance college students'

reliance on payment tools and increase consumption frequency [40].

Emotional connection and identity recognition jointly constitute the internal driving force for the exertion of social influence. The payment choices of college students are often influenced by close relationships, such as romantic partners or friends. They tend to use the same payment platforms, thereby enhancing the stickiness of the platform and the market penetration rate [41]. Additionally, targeted advertisements and information flow push in social media strengthen this influence, enabling college students to make consumption decisions more quickly [42].

With the application of digital payment methods such as Alipay and WeChat Pay, their usage frequency and reliance among students have continued to increase. Recommendations from peers, families, and social media have become important references for their payment choices and consumption decisions. Research shows that social influence not only directly affects students' willingness to pay, but also indirectly influences their consumption decisions by changing trust, identification, and attitudes. As frequent users, their consumption behaviors are particularly susceptible to social interaction [43]. Further research indicates that social circle influence can strengthen payment willingness through emotional bonds and social identification [44], and recommendations from family and friends are also important factors influencing payment choices [45]. Relevant research also shows that social circles can change consumption attitudes and thereby influence payment behavior [46]. In important social or festival scenarios, college students share payment interfaces or promotional information on their "friend circles", which strengthens the symbolic meaning of the platform and deepens the usage dependence, with emotional connections and group identification playing a key role [47].

Overall, social influence continuously drives changes in students' willingness to pay and consumption decisions by shaping their identity, enhancing trust, and altering their consumption attitudes. Moreover, with the rise of online media, its impact has become even more significant.

5. Conclusion

This study systematically explored the mechanism by which third-party payment influences the consumption behavior of college students, and continuously examined the mediating role of social influence in this process. The research found that due to the convenience of such payment operations and the diverse promotional forms, it significantly changed students' payment preferences and consumption patterns. Social influence further strengthened this effect through the mechanisms of information dissemination and group identification. Among them, informative social influence provided students with decision-making references, while normative social influence guided their payment choices through peer interaction and group norms.

With the continuous empowerment of intelligent technologies centered on algorithm models, the functions and security systems of payment platforms will achieve an overall upgrade, and the consumption patterns of college students will show greater diversity. However, this may also bring risks of consumption out of control and debt accumulation. Future research can build more systematic empirical models to deeply examine the moderating effect of social influence, conduct comparative analyses of college students'

consumption behaviors in different cultural backgrounds, and further explore the role of financial education and regulatory policies in guiding rational consumption.

References

- [1] Han, J. H. (2022). Research on the risks and regulation of third-party payment in the digital economy era. *Journal of Boundary*, 161(5), 17–24.
- [2] Fu, S., Pei, P., & Gu, T. (2019). College students' consumption behavior, willingness to use online loans, and preferences for online lending platforms: An empirical analysis based on survey data from universities in Jiangsu Province. *Lanzhou Journal*, 11, 13.
- [3] Chen, D., Zhao, Z., Shi, C., & Zhang, Z. (2021). The impact of internet financial credit products on college students' premature consumption behavior: A case study of Ant Financial's Huabei. *China Collective Economy*, 26, 2.
- [4] Xin, X. (2021). Third-party payments and household financial asset selection. Science Press.
- [5] Hu, S., Cai, B., Liu, T., Liao, Z., Chen, Y., & Wang, X. (2021). The impact of mobile payments on college students' consumption psychology and experience: A case study of universities in Guangzhou. *Popular Standardization*, 15, 9.
- [6] Pang, W. (2023). A study on the peer effects of college students' consumption: A perspective based on dormitory social networks. (Doctoral dissertation, Nanjing Audit University)
- [7] Rui, G. (2024). The deviation of contemporary college students' consumption behavior under the perspective of consumerism and its guiding path. *Higher Education Management*, 4, 42–47.
- [8] Zheng Lixiang. (2023). Research on Risk Control Strategies of Third-Party Payment Platforms - Taking Alipay as an Example. *Enterprise Reform and Management* (2), 59-61.
- [9] Ou Lianjie. (2024). Research on the Impact of the Rise of Third-Party Payment Platforms on Traditional Banking Business. *Electronic Commerce Review*, 13(4), 4660-4667.
- [10] Yang Xiaoxi, & Duan Dingqiang. (2019). Factors influencing college students' Internet consumer credit risk and prevention strategies: Based on the perspective of "Ant Huabei" platform. *Hebei Finance* (11), 5.
- [11] Peng Jinjin, Wang Xiao, Jiang Xudong, & Sun Tingting. (2020). The impact of new revolving loans on college students' consumption habits: A case study of Ant Huabei. *Management scientist*.
- [12] Liu, L., & Zhang, H. (2021). Financial literacy, self-efficacy and risky credit behavior among college students: Evidence from online consumer credit. *Journal of Behavioral and Experimental Finance*, 32, 100569.
- [13] Wu Shan, Wang Weizhan, & Chen Xiaomei. (2021). Analysis on the influence of "Huabei" on college students' consumption and its countermeasures. *Business Culture*, 000(019), P.117-120.
- [14] Chen Shengjun, & Bi Hongmei. (2023). Examining the crisis of college students' online social communication, its causes and resolution. *Chinese Youth Research* (8), 113-119.
- [15] Wei, M. F., Luh, Y. H., Huang, Y. H., & Chang, Y. C. (2021). Young generation's mobile payment adoption behavior: Analysis based on an extended UTAUT model. *Journal of theoretical and applied electronic commerce research*, 16(4), 618-637.
- [16] Oumayma, B. (2019, October). Social media made me buy it: the impact of social media on consumer purchase behavior. In *Proceedings of the 4th International Conference on Smart City Applications* (pp. 1-7).
- [17] Varghese, S., & Agrawal, M. (2021). Impact of social media on Consumer Buying Behavior. *Saudi Journal of Business and Management Studies*, 6(3), 51-55.
- [18] Tang, Y. M., Chau, K. Y., Hong, L., Ip, Y. K., & Yan, W. (2021). Financial innovation in digital payment with WeChat towards electronic business success. *Journal of Theoretical and Applied Electronic Commerce Research*, 16(5), 1844-1861.
- [19] Hu, N., & Hou, G. (2024). Mobile payment, digital inclusive finance, and residents' consumption behavior research. *Plos one*, 19(7), e0288679.
- [20] Yi, W., & Eun-Young, N. (2024). Impact of Internet Financial Products on College Students' Consumption Behavior: Analysis and Recommendations from the Perspective of Online Payment. *아시아연구*, 27(4), 369-383.
- [21] Ahn, S. Y., & Nam, Y. (2022). Does mobile payment use lead to overspending? The moderating role of financial knowledge. *Computers in Human Behavior*, 134, 107319.
- [22] Guo Yiting. (2023). A study on College students' Consumption behavior under the digital financial payment model. *Applied Research on Digital economy and Information Technology*, 1(3), 7-12.
- [23] Boden, J., Maier, E., & Wilken, R. (2020). The effect of credit card versus mobile payment on convenience and consumers' willingness to pay. *Journal of Retailing and Consumer Services*, 52, 101910.
- [24] Jusoh, Z. M., & Jing, T. Y. (2019). Perceived security, subjective norm, self-efficacy, intention, and actual usage towards e-payment among UPM students. *Journal of Education and Social Sciences*, 12(2), 8-22.
- [25] Yang Qinglin. (2019). Discussion on the impact of Internet finance on college students' consumption behavior and financial management concepts. *Finance and Management*, 3(3), 75-80.
- [26] Almaiah, M. A., Al-Rahmi, A., Alturise, F., Hassan, L., Lutfi, A., Alrawad, M., ... & Aldhyani, T. H. (2022). Investigating the effect of perceived security, perceived trust, and information quality on mobile payment usage through near-field communication (NFC) in Saudi Arabia. *Electronics*, 11(23), 3926.
- [27] Wong, W. H., & Mo, W. Y. (2019). A study of consumer intention of mobile payment in Hong Kong, based on perceived risk, perceived trust, perceived security and Technological Acceptance Model. *Journal of Advanced Management Science* Vol, 7(2), 33-38.
- [28] Rong Fangda, & Zhang Zhimei. (2019). Privacy infringement and information Protection in wechat space in the era of Big Data. *Communication and Copyright* (6), 4.
- [29] Bian, W., Cong, L. W., & Ji, Y. (2023). The rise of e-wallets and buy-now-pay-later: Payment competition, credit expansion, and consumer behavior (No. w31202). National Bureau of Economic Research.
- [30] Yao Binggen, Xu Yong, & Cui Yongxin. (2022). A study on college students' intention to continue using Consumer financial products. *Journal of Finance*, 12(3), 243-257.
- [31] Zhang, L., Wang, Y., Anjum, M. A., & Mu, J. (2022). The impacts of point rewarding and exchanging on users' loyalty toward mobile payment applications: a dual channeling perspective. *Internet Research*, 32(6), 1832-1861.
- [32] Chang, V., Chen, W., Xu, Q. A., & Xiong, C. (2021). Towards the customers' intention to use QR codes in mobile payments. *Journal of Global Information Management (JGIM)*, 29(6), 1-21.

- [33] Wu Yaxi, & Xie Meiting. (2024). Research on the internal mechanism of online presale model driving college students' impulsive consumption behavior. *Electronic Commerce Review*, 13(3), 12.
- [34] Ullah, I., Boreli, R., & Kanhere, S. S. (2023). Privacy in targeted advertising on mobile devices: a survey. *International Journal of Information Security*, 22(3), 647-678.
- [35] Lee, H., & Cho, C. H. (2020). Digital advertising: present and future prospects. *International Journal of Advertising*, 39(3), 332-341.
- [36] Gao Limei, Dou Yuxuan, ZHENG Jiayao, Feng Yuhe, Cao Xi, & Bai Xue. (2023). The influence of live broadcast marketing on college students' consumption behavior -- A case study of Hebei Medical University. *Modern Business* (18), 35-39.
- [37] Kuang J. (2024). Study on consumption structure of college students under the background of Internet finance. *Electronic Commerce Review*, 13(4), 6.
- [38] Liu Jinfang, & Li Bengan. (2020). Rationalization and individuation: An analysis of college students' shopping behavior in wechat moments. *Journal of Southwest University for Nationalities: Humanities and Social Sciences Edition*, 41(10), 7.
- [39] You Jiali. (2023). Analysis of Consumers' Wild consumption behavior in the Age of social media -- taking White Elephant products as an example. *World of Sound Screen* (19), 92-94.
- [40] Su Xin, (2024). Social media leads the trend of college students' consumption
- [41] Nie Shunting, & Zheng Yunjia. (2020). Consumption values and consumption decision-making style of College students: The mediating effect of conformity psychology. *Chinese Journal of Health Psychology*, 28(6), 5.
- [42] Tang Liwen. (2019). Analysis on the influence of Internet celebrity economy on college students' consumption concept under the background of social media. *Popular Arts: Research in Science Education*, 000(012), P.235-236.
- [43] Yang Xue, & Wang Yulong. (2021). The impact of social activities on the consumption of the New Generation of elderly in China: An empirical study based on charls 2018. *Population Journal*, 043(002), 61-73.
- [44] Qian P. (2024). Research on online irrational consumption of college students from the perspective of psychological accounts. *Electronic Commerce Review*, 13(2), 2051-2057.
- [45] Gupta, K., & Arora, N. (2020). Investigating consumer intention to accept mobile payment systems through unified theory of acceptance model: An Indian perspective. *South Asian Journal of Business Studies*, 9(1), 88-114.
- [46] Wang, Y., & Genç, E. (2019). Path to effective mobile advertising in Asian markets: Credibility, entertainment and peer influence. *Asia Pacific Journal of Marketing and Logistics*, 31(1), 55-80.
- [47] Hu, X., Chen, X., & Davison, R. M. (2019). Social support, source credibility, social influence, and impulsive purchase behavior in social commerce. *International Journal of Electronic Commerce*, 23(3), 297-327.