

A Study on impact of digital payment with special reference to youths in Bagalkot

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Abstract- Today's world is moving quickly towards using digital payment methods, especially digital wallets that offer coupons and discounts. Mobile payment (E-payment) systems have become popular, allowing people to pay for things using their mobile phones anytime and anywhere. This study explores that impact of digital payments among youths, focusing on awareness, usage patterns, benefits, and challenges. Based on a survey of 100 respondents aged 18–35, findings reveal that 97% are aware of digital payment systems, with UPI being the most preferred method. A majority of people use digital payments daily, convenience and speed as key drivers. However, challenges such as technical issues, security concerns, and difficulties in fraud recovery persist. Statistical analysis confirms a positive relationship between youth and digital payment adoption, while also highlighting significant security concerns. The study suggests improving security features and user education to enhance trust and usage.

I. INTRODUCTION

A digital payment system is a way to pay using electronic devices, like phones or computers, to buy things online or in stores. It often includes a digital wallet, which is connected to a person's bank account. People use digital wallets to save their payment details, so they don't have to type the same information every time they shop. Digital payment is a type of Electronic Data Interchange (EDI), which means it allows the exchange of money or data electronically. These payment methods have become very common because more people now shop and do banking through the internet.

II. REVIEW OF LITERATURE

1) Singh, R., & Kumar, P. (2019): in this study identified how digital payment methods help include more people in the financial system, especially young adults. Their study found that

digital payments can bridge gaps where traditional banking falls short. They point out that many young users, particularly in rural or semi-urban areas, gain access to financial services through mobile technology. The paper notes that digital payments reduce the need for physical bank visits. It also discusses the social impact of making financial services more accessible to all. This research underlines the role of digital payments in enhancing financial inclusion.

- 2) Pandey and Rathore (2018): in their study discussed the impact of digital payment system. Due to moderation and globalization, it was very important for the people to accept the modern method of payment. The study is based on secondary data and various literatures from past papers and government data. All data collected has been analysed and used to find the impact and adoption of digital payments by the people.
- 3) Ramaswamy, S. (2018): Digital Payment vs. Traditional Cash Transactions: This study compares cash payments and digital transactions, finding that digital payments are more efficient, trackable, and safer but face resistance due to habitual cash usage and security concerns.
- 4) Davis, F. D. (1989): Digital payment adoption among youths A global Perspective: This study introduced the Technology Acceptance Model (TAM), which explains how perceived usefulness and perceived ease of use influence people's acceptance of new technologies, including digital payments. The study suggests that youths adopt digital payments more quickly due to their high exposure to technology.
- 5) Sweta Mishra and Vidhi Rajora (2018): The present era is entering into a new pace in digital

payment system by using digital wallets filled with coupons and offers. In particular, the mobile payment (m-payment) system has emerged, enabling users to pay for goods and services using their mobile devices (especially mobile phones) wherever they go. To make people stress free and to make transactions easy new application has been introduced. Digital transactions are traceable, therefore easily taxable, leaving no room for the circulation of black money. The whole country is undergoing the process of modernization in money transactions, with e-payment services gaining unprecedented momentum.

Objective of the study

- 1) To study the awareness on digital payment amongst youth.
- 2) To assess the security concerns and challenges faced by youths while using digital payment

methods.

- 3) To determine whether there is a positive relationship between youth and their use of digital payments.

Hypothesis:

1. Null Hypothesis (H_0): There are no significant security concerns and challenges faced by youths while using digital payment methods.
Alternate Hypothesis (H_1): there are significant security concerns and challenges faced by youths while using digital payment methods.
2. Null Hypothesis (H_0): There is no positive relation between the youth who use digital payment.
Alternate Hypothesis (H_1): There is positive relation between the youth who use digital payment.

III. RESEARCH METHODOLOGY

Particulars	Explanation
Primary Data	The researcher conducted a survey to assess Impact of digital payment with special reference to youths in Bagalkot.
Secondary Data	Websites, research papers and online journals, review of literature and published reports.
Data Collection Tool	The data was collected using a questionnaire of 20 questions. the questionnaire was distributed among the youth through a google form. The questionnaire includes mainly the questions based on the use of digital payment systems.
Sample Size	100
Sample Point	Youth respondents with the age of 18-35 age limit in Bagalkot.
Sample Method	Simple random sampling method was selected for choosing samples.
Data Analysis	MS Excel, T-Test, Descriptive Statistics from IBM SPSS software was used for the data analysis.

IV. DATA ANALYSIS AND INTERPRETATION

One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I feel that digital payment platforms do not protect my personal data.	-3.129	99	.002	-.240	-.39	-.09
I prefer cash payments because digital payments take too much time.	-2.823	99	.006	-.230	-.39	-.07
I find it difficult to recover my money in case of a fraudulent transaction.	-5.014	99	.000	-.360	-.50	-.22
I have faced technical issues while using digital payment apps.	-6.563	99	.000	-.480	-.63	-.33

Interpretation:

The results of the one-sample t-test show that

respondents significantly feel that digital payment platforms do not protect their personal data ($p =$

0.002), prefer cash payments due to the time digital payments consume ($p = 0.006$), find it difficult to recover money in case of fraud ($p = 0.000$), and have experienced technical issues while using

digital payment apps ($p = 0.000$). For these statements, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted.

One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
I find digital payment is convenient compared to traditional payment.	-12.254	99	.000	-.690	-.80	-.58
Digital payments make it easier for me to manage my money.	-6.277	99	.000	-.440	-.58	-.30
Digital payments help me save time compared to cash transactions.	-10.463	99	.000	-.640	-.76	-.52
Using digital payments has made online shopping easier for me.	-6.828	99	.000	-.490	-.63	-.35

Interpretation:

The results of the one-sample t-test show that all five statements have a Sig. (2-tailed) value of 0.000, which is less than the significance level (0.05). This indicates that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted for all statements.

V. FINDINGS

- The majority (46.5%) of the respondents are age between 18 to 22 years.
- The majority (55.4%) of the respondents are female.
- The majority (47.5%) of the respondents are postgraduate.
- Majority (48.5%) of the respondents are students.
- Majority (97%) the respondents are yes, most of people used digital payment.
- Majority (71%) of the respondents are choosing UPI (Google Pay, Phone Pay, etc.)
- Majority (37%) of the respondents are convenience and speed.
- Majority (52%) of the respondents are daily.
- Majority (40.6%) of the respondents are using (online shopping, money transfer, bill payments), all of the above.
- The results of the one-sample t-test show that all five statements have a Sig. (2-tailed) value of 0.000, which is less than the significance level (0.05). We conclude that there is positive relation between the youth who use digital payment.

- The results of the one-sample t-test show that all five statements have a Sig. (2-tailed) value of 0.000, which is less than the significance level (0.05). We conclude that there are significant security concerns and challenges faced by youths while using digital payment methods.

VI. SUGGESTIONS

1. Technical issues such as app crashes and transaction failures need to be minimized through improved infrastructure and system upgrades.
2. Financial institutions should conduct awareness programs to educate users about safe digital transactions and fraud prevention. Additionally, customer support services should be strengthened to provide quick resolutions for payment disputes and fraud cases, ensuring a seamless user experience.

VII. CONCLUSION

In summary the introduction chapter talks about how the digital payment is super important in India, the study explores that in now a days youths have high level of awareness about digital payment in Bagalkot district of Karnataka. Youths has seen significant changes since digital payment was introduced and they are more convenient to use digital payment.

The research examine that there are significant security concerns and challenges faced by youths while using digital payment methods. Youths have a

good understanding of digital payment and it is simplified mode of payment. And there is a positive relationship between youth and their use of digital payments. However there are some technical issues are arises but majority of the people think that it is most comfortable platform to make payments.

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