



## **A Study on the Perception of Youth towards Awareness and Usage of Digital Payment with Reference to Vadodara City**

*Akash Prajapati*<sup>1\*</sup>, *Jay Prajapati*<sup>2</sup>

<sup>1</sup> Parul Institute of Management & Research (MBA), Parul University, At-Waghodia, Vadodara Gujarat, India.

<sup>2</sup> Parul Institute of Management & Research (MBA), Parul University, At-Waghodia, Vadodara Gujarat, India.

### **ABSTRACT**

In most countries throughout the world, including India, digital transactions are replacing traditional ones. Several studies have shown that an effective payment system will increase an economy's liquidity flow. The greatest method to be flexible and provide better service to customers in the age of digitization is to conduct transactions utilizing technology. The goal of the study is to comprehend customers' opinions of the security of online and digital payments in the age of linked technology. The purpose of the current study was to examine consumer perceptions of digital payment methods based on demographic factors such as gender, age, education, occupation, and employment. Primary data were acquired from 150 respondents in the Vadodara city of Gujarat. It eliminated the worry about money theft and loss. Debit and credit cards are currently the most popular methods of online payment. Therefore, the researcher attempted to conduct a study on respondents' attitudes regarding digital payment, with reference to the Vadodara city. Using a sample size of 150, the researcher determined the level of knowledge of digital payments among young adults and middle-aged adults, finding that 141 of the young adults and 9 of the middle-aged adults are aware of these transactions

**Keywords:** digital transactions, employment, digital payment, Primary data, online payment, transactions

### **1. INTRODUCTION**

A significant development in the faceless, paperless, and cashless economy of digital India is the digitization of the payment system. by involving both the national and state governments, the Digital India programmed has developed a framework for a knowledge-based technological change in governance for its citizens. The three main topics on which these programmed focuses are a) The importance of infrastructure to every citizen b) On-demand governance and services c) Digital citizen empowerment.

Demonetization has aided the expansion of digitization. Digitalization has grown in India thanks to elements like mobile connection, infrastructure, electronic distribution, technology, information technology, etc. Benefits include simplicity of use, quick transactions, less environmental pollution, happier consumers, and societal instability. The digitalization process may be speed up with better systems, security, and cooperation from all parties.

Indian consumers typically prefer to conduct purchases in cash. In India, the conventional methods of payment include checks, withdrawals, draughts, money orders, letters of credit, traveller's checks, etc. When India declared demonetization on November 8, 2016, there was a noticeable paradigm change. In India, ICICI Bank was the first to offer online banking services, and Digi Bank is also in the lead when it comes to offering customers digital transaction services. Digitalization has been advantageous for public sector bank SBI. To promote digital technology and protect the environment, SBI developed the green Channel in 2011.

Digital payments make it possible for consumers to send money quickly and securely. (Vidya Shree, Yamuna & Nitua Shree, 2015; Ravi, 2017; Shakir, Wasim Akhtar & Safiuddin, 2017) [1]. The mobile phone market in India is booming. Even if the Covid Epidemic caused a tiny 4 percent reduction in the Indian smartphone industry, it first reached 100 million units by the second half of 2020. (India Smartphone Market Share: By Quarter - Counterpoint Research, n.d.) [2]. The Indian economy clearly showed a parallel rise in Internet usage. India has approximately 700 million Internet users by 2020, and by 2025, that number is expected to rise to almost 975 million. (Total Internet Users in India | Statista, n.d.) [3]. A sub-component of electronic data interchange, an electronic payment system makes it possible to accept electronic payments for online transactions. Increasingly more people are using ecommerce payment systems as a result of the popularity of online banking and shopping. (Alyabes & Alsalloum, 2018) [4].

Demonetization of the Rs. 500 and Rs. 1,000 notes were announced by the Indian government in November 2016 as a means of battling the black-market economy, cutting down on terrorist financing entering the country, and stopping the circulation of fake cash among the general public. Instead, it opened the door for the country to undergo a digital transition, particularly in the financial sector. (R., & Puschmann, Zhu, K., & et al., 2004; Alt, T. 2012; Dapp, T., & et al., 2004) [5].

\* Corresponding author. Tel.: +0-000-000-0000 ; fax: +0-000-000-0000.  
E-mail address: author@institute.xxx

Prime Minister Mr. Narendra Modi has actively pushed for the usage of cashless transactions as part of governmental reforms since high value notes of Rs. 500 and 1000 were demonetized, eliminating 86% of the currency in circulation. The demonetization process resulted in an unprecedented rise in digital payments. Digital wallet businesses have grown by 271% by February of current year, reaching US\$2.8 billion (Rs. 191 crores) in total [6].

### **Forms of Digital Payment**

#### 1) Banking cards:

Cards are among the most popular forms of payment and offer several features and advantages, including ease and payment security. The ability to utilise debit/credit or prepaid banking cards to make other digital payments is their key benefit. Visa, Rupay, and MasterCard are a few of the most reputable and well-known card payment systems. Banking cards are accepted at POS terminals, digital payment applications, internet transactions, etc.

#### 2) USSD:

The USSD (Unstructured Supplementary Service Data) channel is used by the cutting-edge payment service \*99#. Using this service, mobile banking transactions may be completed using a simple feature phone; a mobile internet data plan is not required to use USSD-based mobile banking. The goal is to deepen financial access and bring underbanked groups into the mainstream of banking services.

#### 3) AEPS:

The Aadhaar enabled Payment System, often known as AePS, is a payment system that was created with the intention of empowering individuals from all walks of life by providing them with access to banking and financial services. Via this payment method, payments may be started using a unique identification number (UID). All Aadhaar card users may use the Aadhaar enabled Payment System, or AePS, to make payments, transfer funds, withdraw money, deposit cash, and do other banking-related tasks using Aadhaar-based authentication.

#### 4) Mobile Wallets:

The details from debit and credit cards are stored in a digital wallet known as a mobile wallet. The digital or mobile wallet stores bank account information, debit/credit card information, or bank account information in an encrypted format to facilitate secure payments. Cash may also be added to a mobile wallet, which can subsequently be used to pay for items and make transactions. A predetermined transaction fee may be charged by some mobile wallets in exchange for the services they offer.

#### 5) PoS Terminals:

The "Point of Sale" is the location or space where a transaction takes place (PoS). PoS terminals were originally considered to be the cash registers in stores and malls where purchases were made. At the most common type of PoS machine, customers may make transactions using debit and credit cards by simply swiping their cards and entering their PINs.

#### 6) UPI:

A single platform called Unified Payment Interface (UPI) unifies multiple financial services and functionalities under one roof. To send and receive money, all you need is a UPI ID and PIN. You can use a cell phone number or virtual payment address to make real-time bank-to-bank payments (UPI ID). The Central Bank of India, the Indian Banking Association, and the National Payments Corporation of India (NPCI) have all taken the UPI initiative (IBA).

### **Problem Statement**

Digital payments were made and were extremely important throughout the demonetization process. As everything returned to normal in recent days, the number of cash transactions has climbed once more. It is crucial to understand how the modern digital payment gateway functions.

### **Objective of study**

Research objectives state or describe what the research is trying to achieve or what we expect to achieve by the project. The objectives of the study give a brief idea about the areas of the research which is studied.

- To analyse the youth perception towards the digital payment system in Vadodara.
- To study about awareness of Digital payment services.
- To find the most common reason for using Digital payment application by youth.
- To know about the preference level of youth towards different attributes of Digital payment.

---

## **2. LITERATURE REVIEW**

**Dr. Neeraj K. Gupta (2022):** Both bank employees and customers find the digital payment method to be simple to use. The Indian financial system offers a variety of choices. Yet, a sizable portion of the population in India is ignorant of how to use this system. Indians have a low degree of digital

literacy, and the country's nationwide digital payment infrastructure is still in its infancy. The use of digital payment systems is influenced by societal and infrastructural issues.

**K M, SIBY (2021):** The goal of the current study was to examine how consumers perceived digital payment options during the Covid epidemic. The study based on the sample data concludes that consumers tend to utilize digital payment methods in times of Covid pandemic, regardless of numerous demographic criteria like as gender, age, education, occupation, and monthly income.

**Dr. Ranjith, Dr. Swati Kulkarni, Dr. Aparna J Varma (2021):** The changes in the digital world have an influence on every aspect of human life. At the push of a button, smartphones and internet capabilities have made life easier. In the end, this raises customers' requirements and expectations. In the current situation, the usage of cashless payments has nearly completely replaced traditional cash transactions [7].

**Mala Goplani, Jewel Sabhani, Akash Gupta (2021):** Cashless payments are a step in the right direction towards digitization. People are observed engaging in online payment transactions throughout this procedure. The majority of them find these digital applications to be very handy and safe to use, and they also highly suggest them to others due to their transparent design [8].

**Umesh Maiya (2021):** Digital payments are advancing and evolving quickly. The range of utilisation and comfort is expanding daily. The development of electronic payments systems is supported by the government. While some of the respondents were aware of digital payment thanks to numerous marketing, friends, and family, some were not [9].

### 3. RESEARCH METHODOLOGY

#### *Method of Sampling*

Non-Probability convenience Sampling method.

#### *Frame of Sampling*

Youth of Vadodara city.

#### *Size of Sample*

In survey the sample size was 150.

#### *Instrument for Data Collecting*

In survey we use online Questioner method.

### 4. DATA ANALYSIS AND INTERPRETATION

#### Demographical Profile

Factors	Classification	Frequency	Percentage
Gender	Male	111	74
	Female	39	26
	Total	150	100
Age	18-22	54	36
	23-27	87	58
	28-32	9	6
	33-37	0	0
	Above 38	0	0
	Total	150	100
Occupation	Business	10	6.67
	Salaries	17	11.33
	Professional	10	6.67
	Student	111	74
	House maker	2	1.33
	Total	150	100
Family Type	Joint Family	74	49.33

	Nuclear Family	76	50.67
	Total	150	100
Income	Below 19,999	11	7.33
	20,000 to 39,999	25	16.67
	40,000 to 79,999	65	43.33
	Above 80,000	49	32.67
	Total	150	100

### INTERPRETATION

From the above table shows that total number of respondents taken is 150, from that 74% of the respondents are males while 26% of the respondents are females. 36% of respondents are between the ages of 18 and 22. 58% are between the ages of 23 and 27. 6% are between the ages of 28 and 32. In terms of occupation, 6.67% of respondents work in business, 11.3% of respondents are workers, 6.67% of respondents are professionals, 74% of respondents are students, and 1.3% of respondents are homemakers. Nuclear families make up 50.67% of responses, compared to joint families, who make up 49.33% of the total. The income of 7.33% of the respondents is under Rs.19,999. Between Rs.20,000 and Rs.39,999 makes up 16.67% of the respondents' total income. Between Rs.40,000 and Rs.79,999 is the income range of 43.33% of the respondents. More than 80,000 Rupees is earned annually by 32.67% of the respondents.

#### 1. To evaluate how young people in Vadodara feel about the digital payment method.

##### Statistics

	Services is easy for use	More Secure	More convenient	Better way of payment	Saving time & cost	Costs are hidden from its user	Confirmation and proofs of transactions	Protecting your privacy
Valid	150	150	150	150	150	150	150	150
Missing	0	0	0	0	0	0	0	0
Mean	3.69	3.61	3.75	3.75	3.99	3.05	3.80	3.89

##### Services is easy for use.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Dissatisfied	33	22.0	22.0
	Dissatisfied	4	2.7	24.7
	Average	17	11.3	36.0
	Satisfied	18	12.0	48.0
	Highly Satisfied	78	52.0	100.0
	Total	150	100.0	100.0

##### More Secure.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Dissatisfied	4	2.7	2.7
	Dissatisfied	35	23.3	26.0
	Average	19	12.7	38.7
	Satisfied	50	33.3	72.0
	Highly Satisfied	42	28.0	100.0
	Total	150	100.0	100.0

##### More convenient

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Dissatisfied	14	9.3	9.3
	Dissatisfied	13	8.7	18.0
	Average	32	21.3	39.3
	Satisfied	29	19.3	58.7

Highly Satisfied	62	41.3	41.3	100.0
Total	150	100.0	100.0	

**Better way of payment**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	10	6.7	6.7	6.7
Dissatisfied	16	10.7	10.7	17.3
Average	24	16.0	16.0	33.3
Satisfied	52	34.7	34.7	68.0
Highly Satisfied	48	32.0	32.0	100.0
Total	150	100.0	100.0	

**Saving your time & cost.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	11	7.3	7.3	7.3
Dissatisfied	13	8.7	8.7	16.0
Average	17	11.3	11.3	27.3
Satisfied	34	22.7	22.7	50.0
Highly Satisfied	75	50.0	50.0	100.0
Total	150	100.0	100.0	

**Costs are hidden from its user.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	20	13.3	13.3	13.3
Dissatisfied	25	16.7	16.7	30.0
Average	57	38.0	38.0	68.0
Satisfied	23	15.3	15.3	83.3
Highly Satisfied	25	16.7	16.7	100.0
Total	150	100.0	100.0	

**Confirmation and proofs of transactions.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	12	8.0	8.0	8.0
Dissatisfied	15	10.0	10.0	18.0
Average	20	13.3	13.3	31.3
Satisfied	47	31.3	31.3	62.7
Highly Satisfied	56	37.3	37.3	100.0
Total	150	100.0	100.0	

**Protecting privacy.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Highly Dissatisfied	9	6.0	6.0	6.0
Dissatisfied	21	14.0	14.0	20.0
Average	16	10.7	10.7	30.7
Satisfied	36	24.0	24.0	54.7
Highly Satisfied	68	45.3	45.3	100.0
Total	150	100.0	100.0	

**INTERPRETATION**

According to the tables above, 52% of survey participants believe that the digital payment method is simple to use. Regarding the security of digital payment systems, 28% of respondents are very pleased. Respondents believe that the electronic payment method is more practical by 41.33%. The digital

payment system is preferred over the conventional payment system, according to 32% of respondents. Among respondents, 50% think that time and money can be saved using the digital payment method. 38% of those surveyed expressed uncertainty about the expenses of making payments online. 37.33% of those surveyed thought that a mail ID or mobile number would receive proof of an online purchase. respondents (45.33%) believe that user privacy and data are protected by the digital payment method.

## 2. Purpose of digital transactions done by respondents.

### Statistics

	Purpose for digital transaction done?	Purpose Bill Payment	Purpose Booking Tickets	Purpose Recharge	Purpose Others
Valid	150	150	150	150	150
Missing	0	0	0	0	0
Mean	0.82	0.81	0.67	0.74	0.57

### Purpose for digital transaction done.

	Frequency	Percent	Valid Percent	Cumulative Percent
No	27	18.0	18.0	18.0
Valid Yes	123	82.0	82.0	100.0
Total	150	100.0	100.0	

### Purpose Bill Payment

	Frequency	Percent	Valid Percent	Cumulative Percent
No	28	18.7	18.7	18.7
Valid Yes	122	81.3	81.3	100.0
Total	150	100.0	100.0	

### Purpose Booking Tickets

	Frequency	Percent	Valid Percent	Cumulative Percent
No	49	32.7	32.7	32.7
Valid Yes	101	67.3	67.3	100.0
Total	150	100.0	100.0	

### Purpose Recharge

	Frequency	Percent	Valid Percent	Cumulative Percent
No	39	26.0	26.0	26.0
Valid Yes	111	74.0	74.0	100.0
Total	150	100.0	100.0	

### Purpose Others

	Frequency	Percent	Valid Percent	Cumulative Percent
No	65	43.3	43.3	43.3
Valid Yes	85	56.7	56.7	100.0
Total	150	100.0	100.0	

## INTERPRETATION

According to the above tables, 82% of respondents sent money using digital payment systems. 81.33% of those surveyed use digital payment systems to pay their bills. 67.33% of those surveyed have used a digital payment system to purchase tickets. 74% of respondents use digital payment systems to recharge their TVs and mobile phones. 58.67% of respondents use digital payment systems to pay their hotel, restaurant, gas station, and taxi expenses.

## 3. To know the preference of youth towards different attributes of payment.

### Statistics

	Debit & Credit card	NEFT and RTGS	UPI	Mobile Banking	Digital Wallets	Cash
N Valid	150	150	150	150	150	150
Missing	0	0	0	0	0	0

Mean	2.91	3.11	2.61	3.80	4.16	4.41
Rank	2	3	1	4	5	6

### INTERPRETATION

According to the table the first preference of respondents for payment is UPI, second preference is Debit & Credit card, Third preference is NEFT & RTGS, fourth preference is Mobile banking, fifth preference is Digital wallets and sixth preference is cash.

#### Chi-Square Tests

##### Gender of Respondents with Awareness of Digital Payment.

**H<sub>0</sub>:** There is no significant difference between Gender and Awareness about Digital Payment.

**H<sub>1</sub>:** There is a significant difference between Gender and Awareness about Digital Payment.

		Awareness of Digital Payment		Total
		Yes	No	
Gender of Respondents	Male	105	6	111
	Female	38	1	39
Total		143	7	150

#### Chi-square table

	Value	df	Asymp. Sig.	Exact Sig.	Exact Sig.
Pearson Chi-Square	.524 <sup>a</sup>	1	0.469	0.677	0.416
Continuity Correction <sup>b</sup>	.080	1	0.778		
Likelihood Ratio	.590	1	0.442		
Fisher's Exact Test					
Linear-by-Linear Association	.520	1	0.471		
N of Valid Cases	150				

(a). 1 cell (25.0%) have expected count less than 5. The minimum expected count is 1.82.

(b). Computed only for a 2x2 table.

#### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	-.059	.469
	Cramer's V	.059	.469
N of Valid Cases		150	

(a). Not assuming the null hypothesis.

(b). Using the asymptotic standard error assuming the null hypothesis.

Decision rule:

The chi-square test reveals that the calculated value is 0.469 which is greater than 5% level of significance. so the null hypothesis is accepted. Hence it is concluded that there is significant association between gender and awareness of Digital payment.

## 5. Findings & Results

- ❖ Around 74% of responses are men.
- ❖ The average age of responders, or 58%, is between 23 and 27.
- ❖ 74% of respondents, mostly students, report using the digital payment method.
- ❖ Many respondents (50.67%) come from nuclear families.
- ❖ Many respondents (43.33%) income is between \$40,000 and \$79,999.
- ❖ About 95% of respondents are completely knowledgeable with digital payment systems.

### Suggestions

The government's promotion of digital payment methods over cash payments and the demonetization of currency have caused challenges for the people. The following are potential suggestions.

- ❖ People should try made more aware of the many types of digital payment systems.
- ❖ The numerous digital payment options and the use of mobile technology to access digital resources should be explained to and educated upon by the public.
- ❖ To make India a cashless economy, appropriate actions must be implemented.
- ❖ In addition to having a solid IT system in place to prevent fraud and guarantee security, the judicial system needs to be prompt to punish offenders.

---

### CONCLUSION

Both bank employees and customers find the digital payment method to be simple to use. The Indian financial system offers a variety of choices. Yet, a sizable portion of the population in India is ignorant of how to use this system. The study based on the sample data concludes that consumers tend to utilise digital payment methods in times of Covid pandemic, regardless of numerous demographic criteria like as gender, age, education, occupation, and monthly income. The respondents' demographic profile revealed that 43% of them had a monthly salary ranging from Rs. 40,000 to 79,999 and that 58% of them are between the ages of 23 and 27. In addition, 74% of the respondents are students. Notwithstanding these considerations, the adoption of digital payment methods during the Covid epidemic has not been dampened in any way. There has been a significant shift in people's attitudes towards secure, simple, convenient, and transparent digital methods of financial transaction today.

### References

- 
- [1] Vidya Shree, D. V., Yamuna, N., & Nitua Shree, G. (2015). A Study on new Dynamics in Digital Payment System - with special reference to Paytm and Pay U Money. *International Journal of Applied Research*, 1(10), 1002-1005
- [2]. India Smartphone Market Share: By Quarter - Counterpoint Research. (n.d.). Retrieved March 10, 2021, from <https://www.counterpointresearch.com/india-smartphone-share/>.
- [3]. Total internet users in India | Statista. (n.d.). Retrieved March 10, 2021, from <https://www.statista.com/statistics/255146/number-of-internet-users-in-india/> Abraham, M. (2020). Digital Wallets-Reinforcing the New India? *Studies in Indian PlaceNames*.
- [4]. Alyabes, A. F., & Alsalloum, O. (2018). Factors affecting consumers' perception of electronic payment in Saudi Arabia. *European Journal of Business and Management*, 10(27), 36-45.
- [5]. Zhu, K., Kraemer, K. L., & Dedrick, J. (2004). Information technology payoff in ebusiness environments: An international perspective on value creation of e-business in the financial services industry. *Journal of management information systems*, 21(1), 17-54.
- [6]. Dezan Shira and Associates (2017) Growth of Digital Payments Systems in India. <http://www.india-briefing.com/news/growth-of-digital-payments-systems-inindia-14797.html/>
- [7]. Ranjith, P. V., Swati Kulkarni, and Aparna J. Varma. "A literature study of consumer perception towards digital payment mode in India." *Psychology and Education* 58, no. 1 (2021): 3304-3319.
- [8]. Goplani, Mala, Jewel Sabhani, and Akash Gupta. "A STUDY ON USE OF DIGITAL PAYMENT APPLICATIONS FOR E-COMMERCE AMONG YOUTH."
- [9]. MAIYA, DR UMESH, MRS PRATHIMA, and MRS SOWMYA SHETTY. "PARADIGM SHIFT FROM CONVENTIONAL TEACHING TO TECHNOLOGY-BASED LEARNING: AN ANALYSIS OF THE IMPACT ON RURAL STUDENTS AT THE COLLEGE LEVEL OF UDUPI AND SULLIA TALUK OF KARNATAKA.