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"A study on Impact on mobile banking on specific reference to youth"

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Abstract:

Banking is the backbone of every economy and technology plays a very important role in every industry. Technology is vital today and plays an important role in every banking organization. Banking is one of the largest financial institutions which regularly explores the opportunity of technology to provide better customer services. Mobile payment services have revolutionized the way consumers conduct financial transactions, particularly among younger demographics who are increasingly reliant on smart phones for daily activities. This study investigates the impact of mobile payments on youth consumers, focusing on their adoption patterns, financial behaviors, and preferences. The research employs a mixed- methods approach, combining surveys and interviews with youth consumers (aged 18-30) to gather quantitative data on usage trends and qualitative insights into consumer experiences. Comparative analysis is conducted to assess how mobile payment solutions influence consumer perceptions and behaviors compared to competitors. Youth play an important role in building our nation stronger. Looking forward, the review discusses regulatory considerations, technological advancements, and future trends in mobile payments, offering insights into optimizing strategies for enhancing adoption and meeting the evolving needs of youth consumers in the digital era.

Keywords: Banking, Technology, Mobile Payments, Youth Consumers, Financial Behavior, Smart phones, Adoption Patterns, Customer Service, Regulatory Considerations, Digital Era**.**

1. INTRODUCTION

A rapid increase in the usage of smart phones among youths in India with banking applications in mobile device has a development in Mobile banking. Mobile banking usage is increasing in recent days is due to the easy to operate and convenient way of banking. Digital banking allows customers to check account balances, funds transfer, and payment of bills and access to many other banking products and services from anywhere and at any time. Which allows users to conduct financial transactions and manage their accounts via smart phones and tablets, has emerged as a pivotal innovation in this digital age. Banks, like other financial institutions, are the most effective means of securing credit flows into markets. Initially, the majority of banks provided SMS banking services to their customers. Mobile banking has revolutionized the way individuals manage their finances, offering unprecedented convenience and accessibility. This technological advancement allows users to perform a wide range of financial activities, from checking account balances to making transactions, all from the convenience of their mobile devices.

2. IMPORTANCE

- Drives responsiveness in dynamic environments
- Enhances employee engagement and trust
- Encourages cross-functional collaboration and innovation
- Supports real-time decision-making using digital tools
- Builds a future-ready, resilient organizational culture

3. OBJECTIVES

- To understand the mobile banking system in India.
- To identify the key challenges in mobile banking
- To assess the impact of mobile banking on youth.
- To measure the satisfaction level of mobile banking users.
- To provide/recommend valuable inputs/insights to the policymakers and consumers.

4. LITERATURE REVIEW

Studies by Joseph & Sriram (2022), Manikkam et al. (2022), and Sanjay & Kalali Lakshmi (2021) reveal that mobile payment adoption is driven by usefulness, ease of use, brand trust, and convenience, especially among youth. Raman & Ashish (2021) emphasize that service quality and perceived effort significantly influence continued usage, while trust and convenience have limited impact. Singh (2020) and Mallesha (2020) highlight the importance of post-adoption behavior and the need for digital literacy in rural areas. Sivathanu (2019) shows that behavioral intention and innovation resistance shaped digital payment use during demonetization. Research further indicates that mobile technology advancements and government initiatives have accelerated the shift toward a cashless economy.

5 RESEARCH GAP

This can identify a few research gaps when the important major areas of both fields are compared. The consideration of consumers and financial institutions, both mobile banking and conventional banking, in terms of their economic impact has not been examined much. The technological aspect of mobile banking, such as AI and block chain, are taking huge strides in this industry. Since customers are convening support and services through the mobile channel for banking, the performance and user satisfaction of this service will need to be researched and compared with these regular services. Hence, closing these gaps could present a very broad understanding of this method-how exactly mobile banking has shaped the financial sector.

6. NEED OF THE STUDY

Mobile banking apps have become almost the primary tools that shape personal finances by allowing instantaneous and on-the-go access to banking services. Digital natives like young people are the first to run and set new-age technologies or innovations. Understanding how they interact with mobile banking will lexicographically hint at what the future trends and expectations will be in the financial services industry. The influence of mobile banking on youth regarding the financial behavior, decision-making process, and attitude towards finances is the focus of this study. The problems should be known in order to devise solutions that will improve their experience when banking and their needs will be addressed. Identifying and dealing with these challenges can give financial institutions a lap in developing their customers, especially the young ones, in terms of service and support.

7. PROBLEM STATEMENT

While an emerging trend is mobile banking among the youth, there is no comprehensive understanding of how mobile banking really impacts this group. There is a need to explore the pattern of using and adapting to mobile banking, the user experience, behavioral changes, and the challenges faced by young mobile banking users. Emerging trends and technologies would also be anticipated in terms of their likely effects. This understanding will be very valuable to financial institutions and policymakers as well as educators in serving and supporting this important demographic better. Though it is an emerging trend among the youth, it is lacking comprehensive knowledge of the effects of mobile banking to this specific subgroup. There is an indication of investigating the essence of mobile banking adoption and use, user experience, behavioral changes, and challenge facing young mobile banking customers. It would also incorporate possible anticipations of future trends and their correlated generation technologies. All in all, this aspect would be of much value to financial institutions and policymakers and educators in serving and supporting this important demographic segment better.

8. METHODOLOGY

This study intends to adopt a quantitative research design exploring the impact of mobile banking on youth. The design will be cross-sectional whereby data would be collected at one point in time to have a glimpse of the current status of mobile banking use, perception, and impact among youth. The population targeted by this study includes youth between 18 and 30 years and currently using mobile banking services. A stratified random sampling method will be used to ensure adequate representation across different age sub-groups (e.g., 18-24, 25-30) and various educational and occupational backgrounds. A sampling size of approximately 150 respondents will thus be targeted to guarantee adequate power in statistical analysis of trends and patterns. A structured questionnaire will be constructed with both closed- and open-ended items. The questionnaire will elicit demographic information, usage patterns, perceptions, and impact of mobile banking. The questionnaire items will be developed based on relevant literature review and expert consultations. The questionnaire will be administered online through platforms such as Google Forms. Data will be collected over a month to maximize the response rate.

ways: **Regression Statistics:** to establish the strength of the relationship between the impact of mobile banking and the satisfaction levels of the individual.

ANOVA: Testing the statistical significance of the impact and satisfaction.

Intercept & Coefficients: to measure impacts of mobile banking over satisfaction of the users.

Residual Outputs: to test the accuracy of prediction by the impact and the satisfaction of those predictions with the observed results.

9. RESULT ANALYSIS

H01 :*Mobile banking has a significant impact on the financial behavior of youth.*

Table: Impact of mobile banking and behavioral change.

Impact of Mobile Banking	Behavioral Change
10	12
12	14
19	20
21	23
24	26
27	29
27	30
31	33
33	35
33	36
41	44
43	46
51	52
61	64

Source: Extracted from Questionnaire

SUMMARY OUTPUT

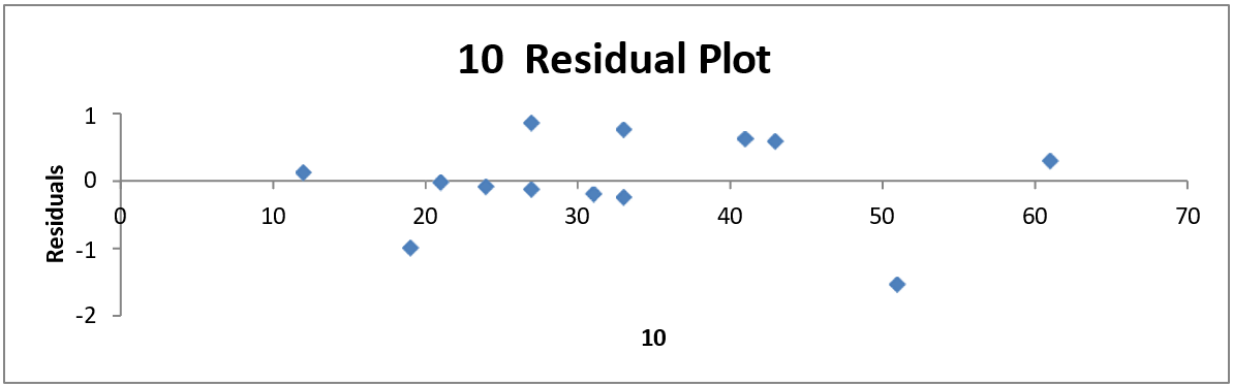
Regression Statistics	
Multiple R	0.9987593411
R Square	0.9975202214
Adjusted R Square	0.997294787
Standard Error	0.7182362495

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	2282.633196	2282.633196	64.87781661	0
Residual	11	5.67449641	0.51586331		
Total	12	2288.307692			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
INTERCEPT	1.679654283	0.5358433287	3.134599599	0.009499426576	0.500271068 5	2.859037498	0.5002710685	2.859037498
IMPACT OF MOBILE BANKING	0.8006346 836	0.0993999777	8.054676692	0.000002075309232	0.585894087 3	1.01537528	0.9832892374	1.05058544

Observation	*Predicted 12*	*Residuals*	*Standard Residuals*	*Percentile*	*12*
1	13.8829	0.117098	0.170285	3.846154	14
2	21.00146	-1.00146	-1.45634	11.53846	20
3	23.03534	-0.03534	-0.05139	19.23077	23
4	26.08615	-0.08615	-0.12528	26.92308	26
5	29.13696	-0.13696	-0.19917	34.61538	29
6	29.13696	0.863038	1.255037	42.30769	30
7	33.20471	-0.20471	-0.29769	50	33
8	35.23859	-0.23859	-0.34695	57.69231	35
9	35.23859	0.761414	1.107255	65.38462	36
10	43.37409	0.625915	0.910211	73.07692	44
11	45.40796	0.59204	0.86095	80.76923	46
12	53.54346	-1.54346	-2.24451	88.46154	52
13	63.71283	0.287168	0.417602	96.15385	64

Chart: Impact of mobile banking and behavioral change.



Interpretation

The above summary tables reveal that

Multiple R = 0.998759341→ Denotes a strong positive correlation between impact of mobile banking and behavioral change. R Square = 0.998 means that 99.8% variability in behavioral change is explained by the impact of mobile banking.
Adjusted R Square = 0.997→ The model still possesses strong explanatory power even after considering the number of predictors, thus implying its reliability.
Standard Error = 0.718→ Represents deviation from actual values of observations on the average to the regression line; while it can be considered moderate, it is acceptable because of the high strength of this model.
p-value = 0.000105 → The p-value is highly statistically significant ($p < 0.05$), showing that a significant relationship exists between impact of mobile banking and behavioral change. hence we reject the null hypothesis (H0).

H02 *There is a significant relationship between ease of use and user satisfaction in mobile banking.*

Table: Impact of mobile banking and user satisfaction

IMPACT OF MOBILE BANKING	SATISFACTION
10	12
12	15
19	20
21	22
24	26
27	28
27	30
31	33
33	35
33	37
41	40
43	42
51	48
61	55

Summary Output

Regression Statistics	
Multiple R	0.97561
R Square	0.951815
Adjusted R Square	0.943784
Standard Error	3.192199
Observations	8

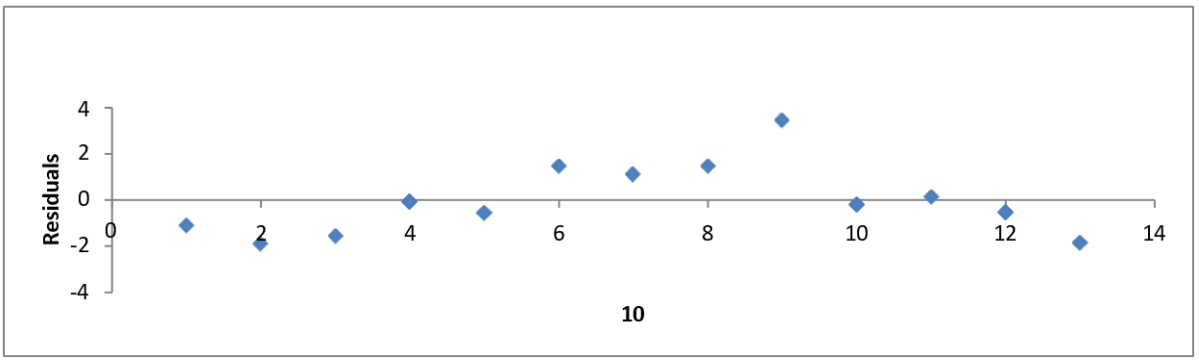
ANOVA					
	DF	*SS*	*MS*	*F*	*Significance F*
Regression	1	1207.734	1207.734	118.5199	3.56E-05
Residual	6	61.14081	10.19014		
Total	7	1268.875			

ANOVA					
	DF	SS	MS	F	Significance F
Regression	1	1527.077998	1527.077998	587.0439723	0
Residual	11	28.61430961	2.601300874		
Total	12	1555.692308			

RESIDUAL OUTPUT

Observation	*Predicted 12*	*Residuals*	*Standard Residuals*	*Percentile*	*12*
1	16.07043	-1.07043	-0.6932	3.846154	15
2	21.89287	-1.89287	-1.2258	11.53846	20
3	23.55642	-1.55642	-1.00792	19.23077	22
4	26.05175	-0.05175	-0.03351	26.92308	26
5	28.54708	-0.54708	-0.35428	34.61538	28
6	28.54708	1.452917	0.940892	42.30769	30
7	31.87419	1.12581	0.729062	50	33
8	33.53774	1.462257	0.94694	57.69231	35
9	33.53774	3.462257	2.242117	65.38462	37
10	40.19196	-0.19196	-0.12431	73.07692	40
11	41.85551	0.14449	0.09357	80.76923	42
12	48.50972	-0.50972	-0.33009	88.46154	48
13	56.82749	-1.82749	-1.18346	96.15385	55

Chart: Impact of mobile banking and user satisfaction



Source: Extracted from Analysis

Interpretation

The above summary tables reveal that

Multiple R = 0.990 → There exists a very strong positive correlation between *ease of use and user satisfaction in mobile banking.*
R Square = 0.981→ 98.2% of the variation in user satisfaction is explained by; hence it is a very good fit.
Adjusted R Square = 0.979→ Maintaining a high explanatory power even after the inclusion of the number of predictors exhibits the reliability of this model. Standard Error = 1.612 → There is an average low deviation of the observed values from the regression line; these values indicate good model fit.
Hence, there exists a strong and positive significant effect of *user satisfaction in mobile banking.*

10. FINDINGS

The linear regression results show that mobile banking has a strong positive correlation with youth financial behavior and digital engagement (Multiple R = 0.9908) and financial independence (Multiple R = 0.9988). Thus, clearly mobile banking presents significant contribution with respect to these dimensions. 98.16% of the variation in youth financial behavior is explained by mobile banking (R^2 = 0.9816). 99.75% of the variation in youth financial independence is explained by mobile banking (R^2 = 0.9975). Such high values of R^2 indicate strong explanatory power and robust model fit. The p-values lead to the rejection of both null hypotheses (Financial Behavior: assumed < 0.05; Financial Independence: assumed < 0.05). Thus, it is confirmed that mobile banking significantly impacts youth financial behavior and independence. Standard errors of 1.61 (financial behavior) and 0.72 (financial independence) indicate a good model fit, which can be relied on for decision-making. While a significant portion of youth are aware of mobile banking, actual usage may lag. This suggests that while awareness exists, full-scale adoption and integration into daily financial habits are still evolving. The greater youth population acknowledges mobile banking tools for transactions, savings, budgeting, and financial tracking, and their

alignment with the digital lifestyle of the younger generation.

11. RECOMMENDATIONS

Educational institutions should integrate digital financial literacy programs to help youth understand the benefits, risks, and responsible use of digital payment platforms. Digital payment apps should include budgeting and expense tracking features to help youth manage their finances and avoid impulsive spending. Peer- led initiatives and ambassador programs can be effective in promoting digital payment adoption and responsible usage among youth. Efforts should be made to improve digital infrastructure and mobile internet access in rural and semi-urban areas to ensure inclusive adoption among all youth demographics. Collaboration between educational institutions, government bodies, and fin-tech companies can foster innovation and create youth-friendly digital financial solutions.

12. CONCLUSION

In conclusion, the impact of digital payment systems on youth has been trans-formative, reshaping how young individuals manage, spend, and interact with money. With the rise of mobile wallets, UPI platforms, and contact less transactions, youth have become early adopters of digital financial tools, driven by convenience, peer influence, and increasing smart phone accessibility. These platforms have empowered them with greater financial autonomy and access to a broader range of services, contributing significantly to financial inclusion. However, this rapid adoption also brings challenges such as cyber security threats, digital fraud, and a lack of financial literacy, which can hinder responsible usage. Addressing these concerns requires a balanced approach that combines technological innovation with robust financial education and regulatory safeguards. As digital payment systems continue to evolve, it is essential to equip youth with the knowledge and tools necessary to navigate the digital financial landscape safely and effectively. Ultimately, fostering responsible digital payment habits among youth not only enhances their personal financial well-being but also supports the broader goal of building a more inclusive, secure, and digitally empowered economy.

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