

Impact of Digital Wallets and UPI Payments on Youths in Amravati City

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ABSTRACT

The rapid growth of digital payment systems has transformed the way financial transactions are conducted in India. Digital wallets and Unified Payments Interface (UPI) have become widely accepted due to their convenience, speed, and security. This research paper aims to study the impact of digital wallets and UPI payments on the youths of Amravati City. Primary data were collected from 150 respondents using a structured questionnaire. Descriptive statistics and Chi-square tests were applied for analysis. The results show high awareness and usage of UPI and digital wallets among youths. Convenience, speed, and ease of use are the major motivating factors, while transaction failures and security concerns remain key challenges. The study concludes that digital payment systems have positively influenced the financial behavior of youths and support the Digital India initiative.

Keywords: Digital Wallets, UPI, Youths, Digital Payments, Amravati City

1. INTRODUCTION

In today's fast-growing digital world, technology has changed the way we live, work, and even make payments. Earlier, people used to depend mostly on cash or cards for all types of transactions. But now, with the help of smartphones and the internet, people can easily send and receive money through Digital Wallets and UPI (Unified Payments Interface). These digital payment systems have made money transfer quicker, easier, and more secure than ever before. A Digital Wallet is an online application that allows users to store money electronically and make payments without using physical cash. Popular examples include Paytm Wallet, PhonePe Wallet, Amazon Pay, and MobiKwik. A UPI payment, on the other hand, is a system that links multiple bank accounts in one mobile app and enables instant fund transfers using a simple UPI ID or QR code. Apps such as Google Pay, PhonePe, BHIM, and Paytm

UPI are commonly used for this purpose. Both these payment systems are becoming an important part of our daily life, especially among the youth.

Youths are the main users of these digital payment modes because they are comfortable with mobile technology and prefer quick, convenient, and cashless options. They use digital wallets and UPI to pay bills, recharge phones, shop online, transfer money to friends, and even pay for small items like tea or snacks. In cities like Amravati, this trend is increasing very fast, as young people find digital payments more attractive due to cashback offers, discounts, and ease of use. The impact of these payment systems on youths is very significant. They have not only made transactions easier but have also changed the spending behavior of young people. Many students and working youths now prefer to use mobile payments instead of carrying cash. However, along with benefits, there are also some challenges like internet issues, transaction failures, and fear of online fraud. This project aims to study how digital wallets and UPI payments have influenced the financial habits, awareness, and attitudes of youths in Amravati city. It will find out the main reasons why they use these payment methods, what problems they face, and how it affects their spending and saving habits. The study will also help to understand how these digital tools are supporting the government's vision of a Digital India and a cashless economy.

2. REVIEW OF LITERATURE

Dr. Rakesh Manohar Malusare (2025) Dr. Malusare studied UPI usage in rural Ratnagiri district of Maharashtra using surveys, interviews, and group discussions from 300 people. The study found that although 65% of people knew about UPI, only 40% actually used it. Factors like digital literacy, smartphone ownership, internet access, and trust strongly influenced UPI adoption. Age, education, and occupation also affected people's willingness to use digital payments.

Major problems included poor internet, preference for cash, and fear of fraud. The study suggested awareness programs, training, and better infrastructure to improve UPI use in rural areas.

Kawalpreet Sharma (2025) Sharma examined the impact of UPI on customers and businesses in Ludhiana city. The study found that UPI made payments faster, easier, and more convenient for most users. Many people preferred UPI for online transactions, but some were still concerned about security and lack of awareness. Merchants benefited because UPI reduced cash handling and improved transaction efficiency. Problems like weak internet and low technical knowledge affected older and low-income users. The study recommended better education and stronger internet services to increase UPI adoption.

D .P. Khond and H. M. Jha Bidyarthi (2025) Their study “Usage of Online Payment Apps by Customers in Amravati Region” focused on local consumer behavior. The research showed that 69.6% of respondents regularly used payment apps, with convenience and trust as major factors. The study used the User Trust and Adoption Model and highlighted that UPI had become the preferred payment mode among youth. The research gap was that the study was limited to urban youth and lacked a comparison with rural users.

Kamsala Pooja & Dr. Amulya M (2024) Kamsala Pooja and Dr. Amulya M studied the use of digital wallets and UPI apps among youth in Mysore City. The research focused on popular platforms such as PhonePe, Google Pay, and Paytm. It examined why young people prefer digital payments over cash and which apps they use most. The study also analyzed safety, security, and trust issues related to digital transactions. Data was collected from 60 respondents, mainly students aged 15–24 years. The findings showed that digital payments have a strong influence on the daily financial activities of urban youth.

Bhatt, Vadher, and Vidani (2023) Bhatt, Vadher, and Vidani examined the rapid rise in the use of online payment apps among people living in Ahmedabad City. The study highlights a cultural shift from cash-based to digital transactions driven by convenience, security, and trust in technology. It emphasizes how online payment platforms have become integral to daily life for shopping and bill payments. The authors note that improved encryption, awareness campaigns, and incentives have boosted adoption. Overall, the paper

reflects Ahmedabad's transition toward a cashless and technologically advanced economy.

Mahesh and Bhat (2021) The paper “Digital Payment Service in India: A Case Study of UPI” used the SWOT Analytical Model to assess UPI’s strengths and weaknesses. It identified ease and speed as strong points, but also noted fraud risks. The research gap emphasized the need for stronger fraud prevention systems.

Vidisha Khaitan, Ramesh Jadhav, and Binod Sinha’s (2020) “Study on Consumer’s Perception Towards Digital Wallets in Pune City, Maharashtra,” studied how urban consumers perceive and use digital wallets post-demonetisation. Based on data from 160 respondents, the research analyzes convenience, ease of use, and security factors influencing adoption. Findings show growing acceptance of digital wallets for daily transactions in Pune. The study highlights how government initiatives and technological ease drive e-payment adoption. It offers insights for enhancing digital payment awareness and user experience.

Ramesh Sardar (2019) The paper “Mobile Wallet Usage Among Urban Jalgaon Population” found that younger, educated users adopted mobile wallets more quickly than older users. The Demographic Influence Model was employed, and the research gap was the lack of rural and youth-centered studies.

Gadge and Rai (2019) The study “Digital Literacy and Payment Adoption in Rural Maharashtra” demonstrated that digital infrastructure and education were key drivers of payment adoption. The Awareness–Adoption Framework highlighted that government campaigns improved awareness. The research gap showed a need for structured training initiatives in rural regions.

3. PROBLEM DEFINATION

In today’s digital world, technology has changed the way people make payments. Instead of using cash, many people now use digital wallets and UPI (Unified Payments Interface) for money transfers, shopping, and bill payments. Mobile apps like Google Pay, PhonePe, Paytm, and Amazon Pay have made transactions quick, easy, and convenient. Young people, especially students and working youths, are the main users of these digital payment systems. Even though digital payments are becoming very popular, there are still some problems and doubts among users. Some youths fully trust these apps, while others worry about security, network

problems, and online frauds. Sometimes payments fail, money gets stuck, or people are not sure how to use certain features. On the other hand, many users find digital wallets useful because they offer cashback, discounts, and rewards, and they save time compared to carrying cash. The main research problem of this study is to find out how digital wallets and UPI payments are affecting the youths of Amravati City — their spending habits, comfort level, and overall attitude toward digital transactions. The study aims to understand how aware the youths are about these services, how often they use them, and what difficulties they face. It also tries to identify why some young people prefer cash while others fully depend on online payments.

This problem is important because India is moving toward a cashless economy, and the youth play a big role in this change. If young people face problems while using digital payment apps, it can slow down the adoption of digital finance. By studying their experiences, we can understand what improvements are needed to make these systems more safe, simple, and user friendly. The study will help to know both the positive and negative sides of using digital payments. It will also help banks, app developers, and the government to make better strategies for increasing awareness and improving the quality of digital financial services. In short, this research will show how digital wallets and UPI are changing the way youths in Amravati City handle money and manage their daily payments.

4 OBJECTIVE

1. To study the level of awareness among youths regarding digital wallets and UPI.
2. To identify factors influencing the preference for digital payments.
3. To examine the satisfaction level of youths.

5.HYPOTHESIS OF THE STUDY

Null Hypothesis (H₀): H₀: There is no significant relationship between age group and satisfaction level towards digital wallets and UPI payments.

Alternative Hypothesis (H₁): There is a significant relationship between age group and satisfaction level towards digital wallets and UPI payments.

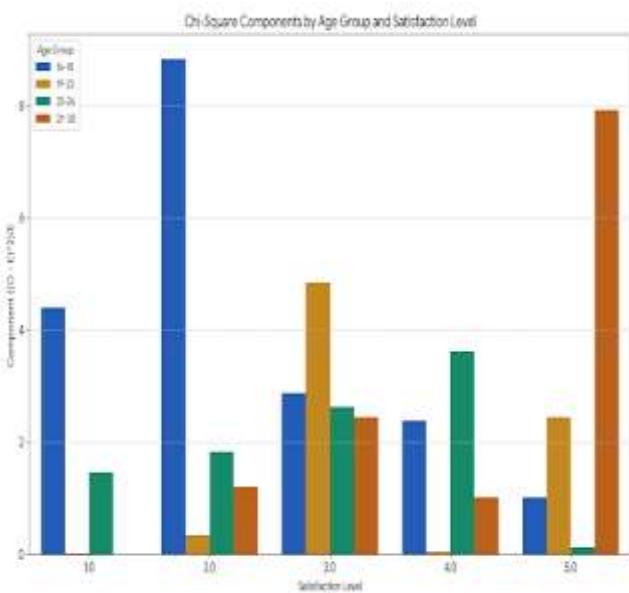
6.RESEARCH METHODOLOGY

The study used both primary and secondary data for analysis. Primary data were collected through a structured questionnaire designed to gather quantitative information from youths regarding the impact of UPI payments and digital wallets, their level of satisfaction, and the factors that encouraged usage. A 5-point Likert scale ranging from Strongly Disagree to Strongly Agree was used. The questionnaire focused on how often people used UPI and for what purposes, their satisfaction with UPI payments, motivating triggers such as cashback, discounts, and instant gratification, and basic demographic information such as age, gender, and income. The survey was conducted with approximately 150 respondents, mainly students, working professionals, and urban users, as these groups frequently used UPI in daily life. Secondary data were collected from published sources such as research papers and journals on consumer behavior and digital payments, books on finance, marketing, and research methodology, as well as articles from newspapers, magazines, and reliable websites. This secondary data helped support the study, compare findings, and provided a strong background for the research. The population of the study included all youths aged 16–30 years living in Amravati City, with a sample size of around 150 respondents and the sample area limited to Amravati City. The study adopted a convenience sampling technique, where respondents were selected based on their availability and willingness to respond, mainly from colleges, markets, shopping centers, and workplaces. Efforts were made to include both male and female respondents, as well as students and working youth, to make the sample more balanced.

For data analysis, tools such as MS Excel and Google Sheets were used to analyze the responses related to the impact of digital wallets and UPI payments. These tools helped in performing basic data analysis and creating visualizations for better interpretation of the results.

7. DATA ANALYSIS AND INTERPRETATION

Hypothesis testing



This graph shows how different age groups are related to different satisfaction levels using the Chi-square test. On the horizontal axis, we have satisfaction levels from 1 to 5, and on the vertical axis, we have the Chi-square contribution (how much each age group affects the overall result). From the graph, we can see that some age groups contribute more at certain satisfaction levels. For example, the 18–25 age group shows a very high contribution at satisfaction level 2, which means many people in this age group chose that level more than expected. The 26–30 age group shows a high contribution at satisfaction level 5, meaning many respondents from this group are highly satisfied. The 31–40 age group contributes more at satisfaction level 4, showing higher satisfaction in that group. Overall, the graph suggests that satisfaction levels differ across age groups, which supports the idea that age and satisfaction are related.

Che square table

Item	Result
X ² calculated	49.380
X ² table	21.03
Df degree of freedom	12
p-value	0.0000017
Decision	Rejected H ₀

Result: The chi-square test was conducted to examine whether there is a significant relationship between age group and satisfaction level towards digital wallets and UPI payments among youths in Amravati City. The calculated chi-square value is 49.4573 with , with the degrees of freedom determined as $(\text{Rows} - 1) \times (\text{Columns} - 1) = (4 - 1) \times (5 - 1) = 12$ degrees of freedom, while the critical (table) value at the 0.05 significance level is 21.03. Since the calculated value is much higher than the table value and the p-value (0.0000017396) is far less than 0.05, the null hypothesis is rejected. This clearly indicates that age group has a significant influence on satisfaction level toward digital payment systems. In practical terms, different age groups experience and evaluate UPI and digital wallets differently—older youths (especially 27–30 years) show higher satisfaction scores, while younger groups (16–18 years) show more variability and relatively lower satisfaction. Hence, age plays an important role in shaping user satisfaction, and service providers should consider age-specific needs and concerns while designing and improving digital payment services. Means alternate hypothesis is true.

8. FINDINGS

The findings of the study reveal that youths demonstrate a high level of awareness and adoption of digital payment systems. Convenience and speed emerge as the strongest motivating factors encouraging the use of digital payments. Most users report being satisfied with UPI services, indicating a generally positive user experience. However, transaction failures are identified as the most common problem faced by users, highlighting an important area for improvement. Additionally, age is found to significantly influence the level of satisfaction, suggesting that different age groups perceive and experience digital payment services differently.

9. CONCLUSION

The study concludes that digital wallets and UPI payments have a positive impact on youths in Amravati City. They have simplified financial transactions and reduced dependence on cash. Although certain technical and security issues exist, overall satisfaction is high. With improved infrastructure and awareness, digital payments will continue to grow and support Indias vision of a cashless economy.

10. LIMITATIONS OF STUDY

The present study has certain limitations that should be considered while interpreting the findings. It is confined only to youths in Amravati City, and therefore older age groups are not included in the research. Since the study is restricted to a single city, the results may not represent other regions or populations. Moreover, the findings may not be applicable to rural areas or to other cities that have different lifestyles, levels of digital infrastructure, or payment habits. The study also focuses only on the current time period and recent trends in digital payments, which means the results may change in the future as technology continues to evolve and user behavior shifts. Additionally, the accuracy of the data depends on the honesty of the respondents and their proper understanding of the questions, which may affect the reliability of the responses.

11. SCOPE FOR FUTURE RESEARCH

The present study focuses on understanding the growing use and impact of digital wallets and UPI (Unified Payments Interface) among the youths of Amravati City. With the increasing use of smartphones and internet facilities, digital payment systems have become a common mode of financial transactions in India. Applications such as Google Pay, PhonePe, Paytm, and Amazon Pay have changed the way people transfer money and make purchases. Therefore, it is important to study how these digital platforms have influenced the lifestyle and financial habits of young people. The study mainly covers the awareness, usage pattern, satisfaction level, and challenges faced by youths while using digital wallets and UPI services. It examines how often young users use these payment methods, what motivates them to prefer digital payments over cash or card transactions, and how secure and convenient they find the process. It also looks into common problems such as transaction failure, technical issues, or security concerns experienced by users.

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