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The Study on the Impact of Digital Payments with Special Reference to Youths in Pune City

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1. INTRODUCTION

The digital transformation of financial systems has reshaped how individuals and organizations manage transactions. Digital payment systems—including mobile wallets, Unified Payments Interface (UPI) applications, and online banking—enable secure, convenient, and instantaneous exchanges without the use of cash.

In India, this shift accelerated after the 2016 demonetization, which encouraged consumers and merchants to adopt electronic modes of payment. Government initiatives such as Digital India and sustained fintech innovation have positioned the nation among the world's leading digital-payment ecosystems.

The country's youth population (18–35 years) has been instrumental in this evolution. With high smartphone penetration, social-media exposure, and comfort with technology, young users drive both usage and innovation in digital finance. The COVID-19 pandemic further reinforced this trend by emphasizing the safety and efficiency of contactless transactions.

Digital payments foster financial transparency, budgetary discipline, and environmental benefits through reduced paper use. In Pune City, a major education and technology hub, young adults represent a critical user segment. This research examines how factors such as convenience, perceived security, incentives, and peer influence affect adoption and how digital-payment use shapes financial behavior and perceptions of a cashless future.

2. LITERATURE REVIEW

2.1 Conceptual Background

Digital payments form the backbone of modern e-commerce, relying on secure authentication and reliable banking infrastructure. Singh and Gupta (2016) identify convenience, trust, security, and adaptability as principal determinants of mobile-wallet adoption, showing that these variables enhance user satisfaction and long-term usage.

2.2 Empirical Studies

Ramya, Sivasakthi and Nandhini (2017) explored India's drive toward a cashless economy, highlighting regulatory support and the importance of consumer awareness.

Pandey and Rathore (2018) found that modernization and globalization have encouraged digital adoption, increasing efficiency but also exposing cybersecurity challenges.

Suma Vally and Hema Divya (2018) emphasized that security and ease of use are vital for user confidence, recommending awareness programs to strengthen trust.

Shivathanu (2019) analyzed adoption during demonetization, concluding that innovation resistance and behavioral intention significantly influence usage.

Ghosh (2021) underlined the impact of smartphones and internet access on digitalization, noting gains in transparency, inclusion, and convenience.

2.3 Research Gap

Existing research offers broad perspectives on consumer behavior but limited attention to urban youth. This study addresses that gap by focusing on the attitudes, motivations, and behavioral outcomes of young digital-payment users in Pune City.

3. RESEARCH METHODOLOGY

3.1 Research Design

A descriptive quantitative design with exploratory components was adopted to describe usage patterns and explore underlying behavioral factors without implying causation.

3.2 Population and Sampling

The target population includes students and young professionals (18–26 years) in Pune. Using convenience sampling, 30 respondents were surveyed. Though non-probabilistic, the sample provides indicative insights into youth trends.

3.3 Data Sources

- Primary Data: obtained via a structured questionnaire containing ten closed-ended questions on usage frequency, preferred apps, and perceived benefits.

- Secondary Data: drawn from academic journals, RBI publications, government portals, and reputable online databases.

3.4 Research Instrument and Collection

The questionnaire was shared digitally and in person. Participants were informed of anonymity and voluntary participation before completing the survey.

3.5 Data Analysis

Responses were tabulated and analyzed through descriptive statistics (frequencies, percentages). Graphs and charts illustrated demographic and behavioral distributions.

3.6 Limitations

Results are limited by small sample size and convenience sampling, which restrict generalization. Findings are based on self-reported perceptions that may reflect respondent bias.

4. DATA ANALYSIS AND FINDINGS

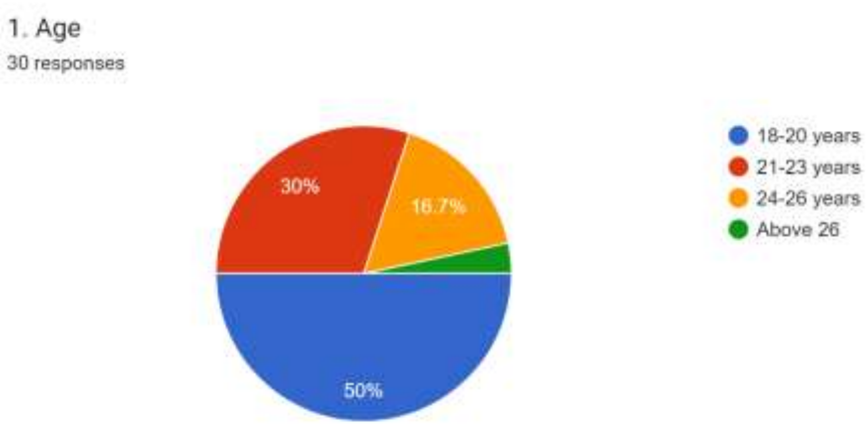
TABLE 5.1

TABLE SHOWING THE DISTRIBUTION IN AGE OF RESPONDENTS

Particulars	**No. of respondents**	**Percent**
18-20 years	15	50 %
21-23 years	9	30 %
24-26 years	5	16.7 %
Above 26 years	1	3.3 %
Total	**100**	**100 %**

CHART 5.1

CHART SHOWING THE DISTRIBUTION IN AGE OF RESPONDENTS



Interpretation

From the above figure, it is interpreted that the number of respondents of age 18-20 years are 50%, 21-23 years are 30%, 24-26 years are 16.7% and above 26 years is 3.3 %.

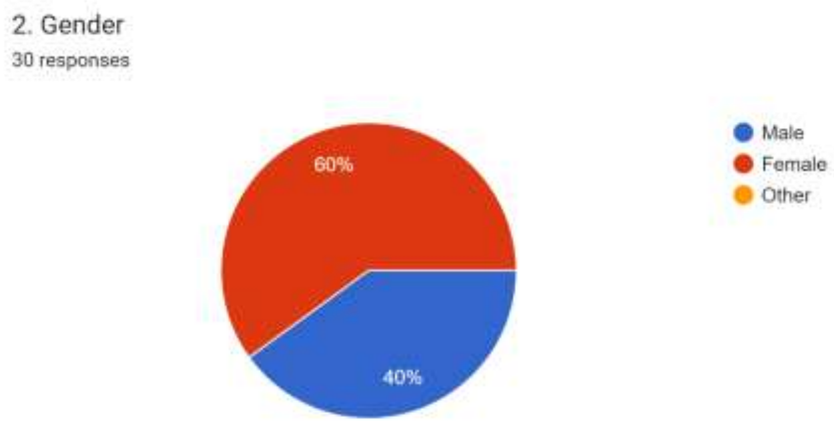
TABLE 5.2

TABLE SHOWING THE DISTRIBUTION IN GENDER OF RESPONDENTS

Particulars	No. of respondents	Percent
Male	12	60 %
Female	18	40 %
Other	0	0
Total	**100**	**100 %**

CHART 5.2

CHART SHOWING THE DISTRIBUTION IN GENDER OF RESPONDENTS



Interpretation

From the above table it is interpreted that the number of female respondents is 60 % and male respondent is 40 %.

TABLE 5.3

TABLE SHOWING IF ONLINE PAYMENT OFFERS WIDE RANGE OF BANKING SERVICES TO USERS

Particulars	No. of respondents	Percent
Yes	25	83.3 %
No	1	3.3 %
Maybe	4	13.3 %
Total	**100**	**100 %**

CHART 5.3

CHART SHOWING IF ONLINE PAYMENT OFFERS WIDE RANGE OF BANKING SERVICES TO USERS

Interpretation

From the above table it is interpreted that the 83.3 % respondents think that online payment offers wide range of banking services and payment options and 3.3 % respondents think it does not offer and 13.3 % are not sure.

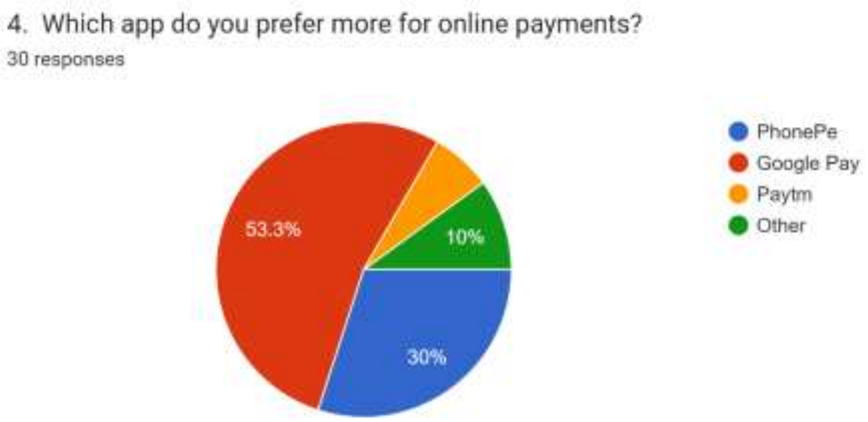
TABLE 5.4

TABLE SHOWING APP PREFERED FOR ONLINE PAYMENTS

Particulars	**No. of respondents**	**Percent**
PhonePe	9	30 %
Google Pay	16	53.3 %
Paytm	2	6.7 %
Other	3	10 %
Total	**100**	**100 %**

CHART 5.4

CHART SHOWING APP PREFERED FOR ONLINE PAYMENTS



Interpretation

From the above table it is interpreted that the number of PhonePe users is 30 %, Google Pay users is 53.3 %, Paytm users is 6.7 % and 10% users use other apps for payments.

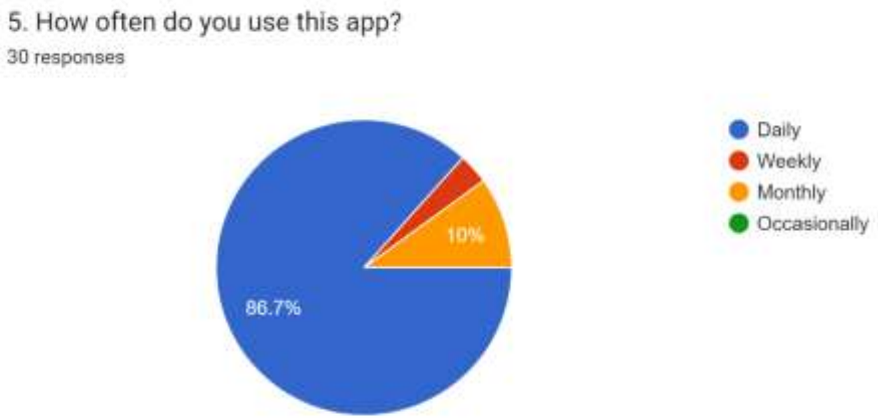
TABLE 5.5

TABLE SHOWING USE OF ONLINE PAYMENTS APP

Particulars	**No. of respondents**	**Percent**
Daily	26	86.6 %
Weekly	1	3.3 %
Monthly	3	10 %
Occasionally	0	0
Total	**100**	**100 %**

CHART 5.5

CHART SHOWING USE OF ONLINE PAYMENTS APP



Interpretation

From the above figure it is interpreted as 26 respondents with 86.7 % use online payment option daily.

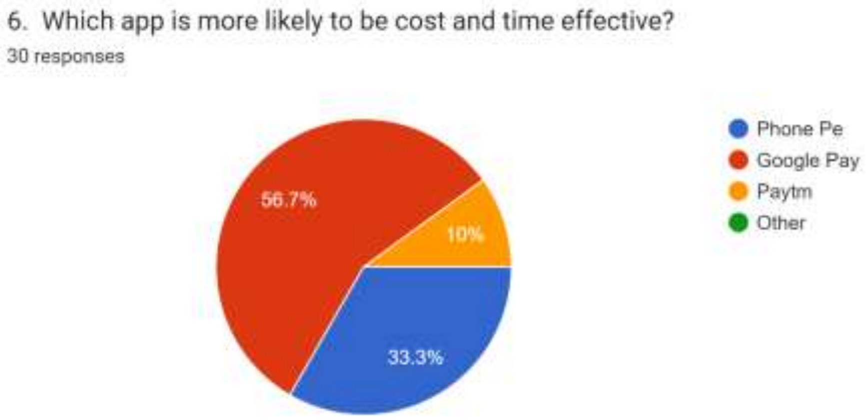
TABLE 5.6

TABLE SHOWING APP MORE LIKELY TO BE COST AND TIME EFFECTIVE

Particulars	**No. of respondents**	**Percent**
PhonePe	10	33.3 %
Google Pay	17	56.7 %
Paytm	3	10 %
Other	0	0
Total	**100**	**100 %**

CHART 5.6

CHART SHOWING APP MORE LIKELY TO BE COST AND TIME EFFECTIVE



Interpretation

From the above figure it is interpreted that 17 respondents with 56.7 % prefer Google Pay app to be cost and time effective.

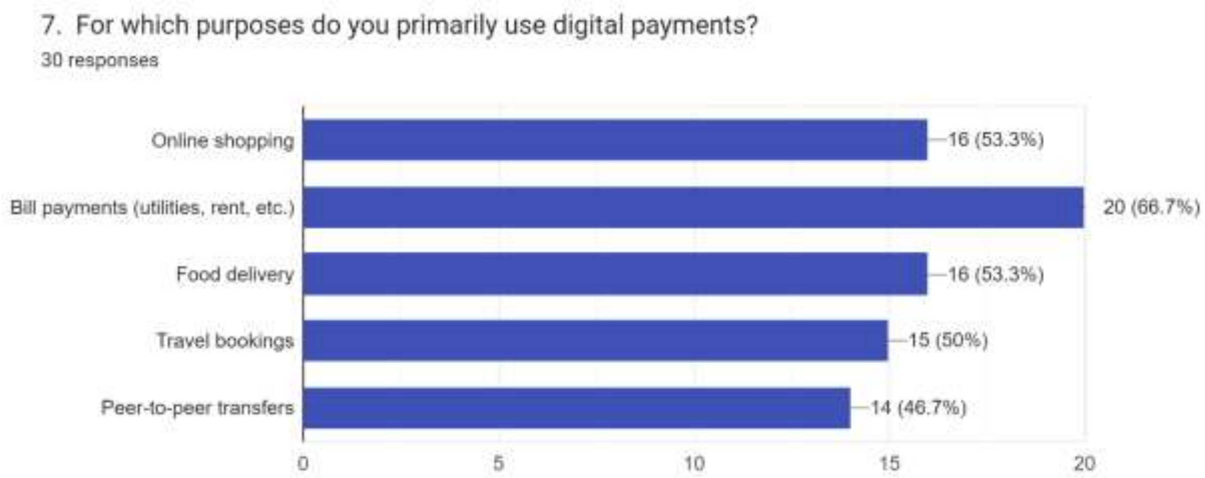
TABLE 5.7

TABLE SHOWING PURPOSE OF USING ONLINE PAYMENTS

Particulars	No. of respondents	Percent
Online shopping	16	53.3 %
Bill Payments	20	66.7 %
Food Delivery	16	53.3 %
Travel Bookings	15	50 %
Peer-to-peer influence	14	46.7 %
Total	**100**	**100 %**

CHART 5.7

CHART SHOWING PURPOSE OF USING ONLINE PAYMENTS



Interpretation

From the above figure it is interpreted as 20 respondents with 66.7% use online payment option for bill payments such as rent, etc.

TABLE 5.8

TABLE SHOWING FACTORS INFLUENCED TO START ONLINE PAYMENTS

Particulars	**No. of respondents**	**Percent**
Convenience	20	66.7 %
Discounts and offers	3	10 %
Security	7	23.3 %
Peer Influence	0	0
Total	**100**	**100 %**

CHART 5.8

CHART SHOWING FACTORS INFLUENCED TO START ONLINE PAYMENTS

Interpretation

From the above figure it is interpreted that, 20 respondents with 66.7 % and 7 respondents with 23.3 % are influenced to start using online payments because of security and convenience factor.

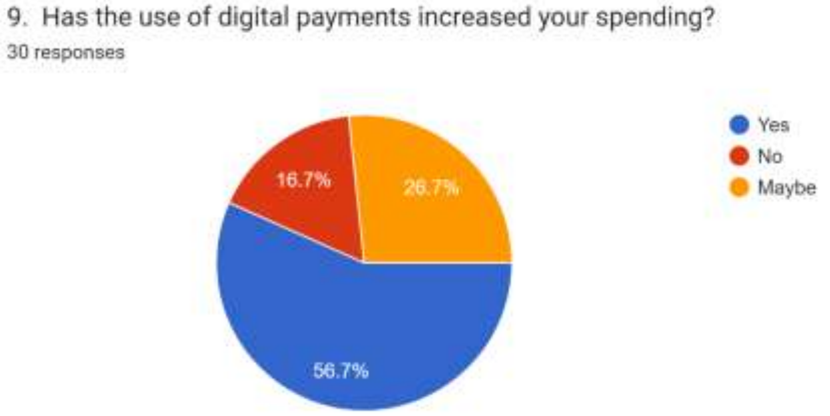
TABLE 5.9

TABLE SHOWING WHETHER USE OF ONLINE PAYMENTS HAVE INCREASED SPENDINGS

Particulars	**No. of respondents**	**Percent**
Yes	17	56.7 %
No	5	16.7 %
Maybe	8	26.7 %
Total	**100**	**100 %**

CHART 5.9

CHART SHOWING WHETHER USE OF ONLINE PAYMENTS HAVE INCREASED SPENDINGS



Interpretation

As per above figure; it is interpreted that 17 respondents with 56.7 % thinks that the use of online payments has increased their spendings and 5 respondents with 16.7 % think it does not and remaining are not sure about it.

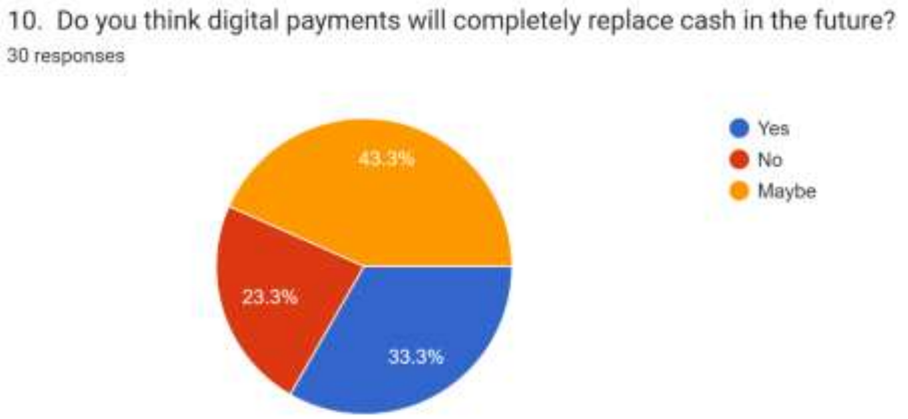
TABLE 5.10

TABLE SHOWING WHETHER ONLINE PAYMENTS COMPLETELY REPLACE CASH IN FUTURE

Particulars	**No. of respondents**	**Percent**
Yes	10	33.3 %
No	7	23.3 %
Maybe	13	43.3 %
Total	**100**	**100 %**

CHART 5.10

CHART SHOWING WHETHER ONLINE PAYMENTS COMPLETELY REPLACE CASH IN FUTURE



Interpretation

As per above figure; it is interpreted that 10 respondents with 33.3 % thinks that digital payments will replace cash in future and 7 respondents with 23.3 % think it will not replace and remaining 13 respondents with 43.3 % are not sure about it.

4. FINDINGS

Key highlights:

- 50 % of respondents aged 18–20 years
- 60 % female participation
- 83.3 % believe digital payments offer wide banking services
- 53.3 % prefer Google Pay; 30 % PhonePe
- 86.7 % use digital payments daily
- 66.7 % cite convenience as the main adoption factor
- 56.7 % report increased spending
- 33.3 % think cash will eventually be replaced

5. SUGGESTIONS

1. Strengthen digital-payment promotion through social media.

2. Enhance user education on cybersecurity and fraud prevention.

3. Partner fintech firms with local merchants for wider acceptance.

4. Highlight environmental gains from paper-free transactions.

5. Expand rural and public-service digital facilities.

6. Improve network reliability and interoperability between apps.

6. ETHICAL CONSIDERATIONS

Participants received clear information about the study's purpose and provided informed consent. No personal identifiers were collected, and all data were stored securely and analyzed in aggregate form.

7. MANAGERIAL IMPLICATIONS

Merchants can leverage youth-centric marketing and reward schemes.

Policymakers should promote financial literacy and fraud-mitigation frameworks.

Banks and regulators must continue developing secure, interoperable systems to balance growth with consumer protection.

8. CONCLUSION

This study confirms that Pune's youth are leading India's move toward digital finance. Convenience and security remain decisive factors in app selection, with Google Pay and PhonePe as top preferences. Digital payments have become embedded in daily life, influencing spending behavior and promoting transparency.

Nonetheless, concerns over data privacy and impulsive spending emphasize the need for sustained education and regulatory oversight. Strengthening cybersecurity, consumer trust, and digital literacy will ensure that digital payments continue to drive inclusive, secure, and sustainable growth within India's evolving economy.

9. REFERENCES

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- N. Ramya D. Sivasakthi & Dr. M. Nandhini (2017). Cashless Transactions: Modes, Advantages and Disadvantages.

- K. Suma Vally & Dr. K. Hema Divya (2018). A Study on Digital Payments in India with Perspective of Consumer Adoption.

- Ghosh, Gourab (2021). Adoption of Digital Payment Systems – A Review of Literature.

- Online sources: ResearchGate, NIC Digital Economy Blog, Investopedia.

10. ANNEXURE

QUESTIONNAIRE

Dear respondents,

We the students of Indira University-School Of Business, Pune. As a part of our course, we are asked to do research on the topic "The impact of Digital Payments on youths of Pune City". So, I kindly request you to fill the questionnaire. It may take just 10 minutes of your valuable time.

1. Age:
   - 18-20 years
   - 21-23 years
   - 24-26 years
   - Above 26 years

2. Gender:
   - Male
   - Female
   - Other

3. Does Online Payment Offers Wide Range of Banking Services to Users?
   - Yes
   - No

- Maybe

4. Which App Do You Prefer for Online Payments?
   - Google Pay
   - PhonePe
   - Paytm
   - Other

5. How Often Do You Use This App?
   - Daily
   - Weekly
   - Monthly
   - Occasionally

6. Which App Is More Likely to Be Cost and Time Effective?
   - Google Pay
   - PhonePe
   - Paytm
   - Other

7. For Which Purpose Do You Use Digital Payments?
   - Online shopping
   - Bill Payments
   - Food Delivery
   - Travel Bookings
   - Peer to peer influence

8. What Factors Influenced You to Start Online Payments?
   - Convenience
   - Discounts and offers
   - Security
   - Peer influence

9. Has The Use of Online Payments Have Increased Spendings?
   - Yes
   - No
   - Maybe

10. Do You Think Whether Online Payments Will Completely Replace Cash in Future?
    - Yes
    - No
    - Maybe