



# UNDERSTANDING DIGITAL PAYMENT TRENDS AMONG YOUTH

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## **Abstract:**

**This research examines Digital payment trends among youth. With the growth of smart phones, and inexpensive internet, along with simple to use apps such as UPI and mobile wallets, youth are drifting from cash to digital options for their regular financial transactions, not only considering the demographic's increased use after COVID-19, but also the continuing influence of initiatives such as Digital India. There remain, however, significant caveats in the realms of data privacy, online fraud, and financial literacy. This study looks at how youth engage with digital payments, and what drives their behaviours, as well as the implications of this trend on an increasingly interconnected, cashless future.**

**Keyword: Digital Payments, UPI, Mobile Wallets, Cashless Economy, Online Transactions.**

## **I. INTRODUCTION**

The rapid proliferation of digital technologies in India has drastically transformed the financial sector, especially since the launch of initiatives such as Digital India and unified payments interface. Recently, especially since Post-covid, digital payment systems have encountered a rapid adoption rate across demographics and even among different types of economic strata. Amongst demographic groups, Indian youth, aged 18-26 & above, have grown to be one of the most engaged and involved user segments in digital payments. The movement from cash towards cashless transactions was brought about by the pervasiveness of smartphones, inexpensive internet, and overall ease of platforms such as Google Pay, PhonePe, Paytm, and BHIM. Youth are using these platforms for a number of things in their daily lives, like online shopping, utility payments, food orders, and peer-to-peer money transfers.

The contribution of this research will be to quantitatively assess the digital payment behaviors of Indian youth by using survey-based methods of primary data collection. Assessment purposes include how frequently they use digital payments-both overall and by app-and for what purpose. Associated levels of perceived security and perceived ease will also be responded to. These assessments will provide key knowledge for parameters used by policy makers, fintech developers, and academics, etc.

## **II. REVIEW OF THE LITERATURE**

III. 1. Harsimran Kaur & Richa Mehta (2023) conducted a study on the adoption of digital payments among Indian youth, with convenience, security and platform features standing out as the key drivers for adoption. Their study with about 200 users in India added to insights on why young users select certain payment options while navigating digital payments. However, the findings

are limited in that the study was not narrowly focused on youth from a specific city such as Pune and the sample size does not allow us to generalize about any other youth at-large.

IV. 2. J. Sundararaj & R. Meera (2024) explored adoption and user behaviour towards digital payments among millennials. From the survey of 250 respondents, they found ease of use, trust and loyalty to be more crucial turns for the adoption digital payment among this group. While the survey offered some valuable insights into this topic, it looked at millennials (agents for whom the youth market is a little older) and did not specifically address regional or city-specific differences, meaning there's some scope for more localised research.

V. 3. Abhilasha Dixit (2024) examined the determinants of behavioural intention to use digital payments among Indian youngsters, using data from 482 respondents. The present study indicated that both trust and satisfaction had important mediation effects on digital wallets behavioural intentions. However, the study did not have a regional focus and it failed to compare differences among college students and working youth from different cities such as Pune.

VI. 4. Ananthan R & Abhilash Janardhanan (2024) carried out a mixed-method study to identify key drivers influencing digital payment adoption among Indian youth. They found that among the significant factors impacting adoption were peer influence, technological readiness, and government initiatives as conditions for adoption. The study provides a good overview of the national status for adoption and support, but does not account for local differences, or the cultural factors that may come into play around adoption context in specific urban centres, such as Pune.

VII. 5. Kiran Bala & Seema Sharma (2025) conducted a review of existing literature to identify factors influencing digital payment adoption among Indian consumers. Their study summarized various demographic, technological, economic, psychological, and policy-related influences on digital payment behavior. However, the research was general in nature and not focused specifically on youth populations. Furthermore, this was a secondary review and thus did not report primary data collection.

VIII. 6. Meenakshi M. Huggi, Bhuwaneshwari R & Kanyakumari Udagi (2024) studied the impact of digital payment systems on consumer behaviour in India. The research study described above by Kumar et al. revealed that UPI and mobile wallets brought a complete change in the spending habits of consumers, though the security concern was still prevailing. In this study, the broad focus on general consumers reduced its applicability to specific demographic segments, such as youth or region-specific groups like Pune's urban population.

IX. 7. G. Aparna Devi & P. Neeraja (2023) analyzed digital payment adoption patterns across various demographic segments. Their analysis showed that age, gender, and location were the significant determinants of adoption. While this study recognized demographic differences, it did not isolate the youth segment and failed to provide an in-depth look at how these factors might combine on specific city contexts, thus leaving room for future localized research.

X. 8. Prof. Yudhvir Singh & Babita Rani Tyagi (2025) focused their research on the adoption of digital payments in Western Uttar Pradesh from a consumer's perspective. They found that government initiatives coupled with increased mobile and internet penetration contributed significantly to an increase in the usage of digital payments. While they provided valuable regional insights, the study focused on a different geography and did not study the unique experience of the youth population, specifically of Pune.

XI. 9. Mastercard (2022) A 2022 corporate survey conducted by Mastercard revealed that 93% of Indian consumers had used at least one form of digital payment in the past year. The survey has also monitored the behavior of 18–25-year-old youth, who had earlier been identified as the most active users in the digital payment scenario. The data gives a comprehensive overview of the national trend; however, the broad focus of the study and lack of youth-specific in-depth analysis limit this data's applicability for localized or behavioral studies.

XII. 10. Kiwi & Unomer (2025) A 2025 survey by Kiwi and Unomer found that Indian youth prefer using UPI for everyday transactions. However, credit cards are predominant for higher value transactions because of rewards and interest-free perks. This study effectively captured the recent behavioral trends among young users. Nevertheless, it represented a national sample rather than a localized study, making it less relevant to understand city-specific patterns, such as that of Pune's youth.

### XIII. OBJECTIVES OF THE STUDY

1. To examine the frequency and purpose of digital payment usage among youth (aged 18–26 above).
2. To identify the most preferred digital payment platforms (e.g., UPI apps, wallets, net banking) used by young consumers..
3. To assess the level of awareness and concern regarding security, privacy, and fraud in digital payment usage.
4. To analyze the impact of post-Covid developments (including COVID-19 and Digital India initiatives) on digital payment behaviour.

## Research methodology

### Research Design

The study uses a descriptive, cross-sectional, and survey-based quantitative design to analyze current digital payment trends among Pune's youth through structured questionnaires.

### Population and Sampling

- Population: Youth aged 18–26, & Above in Pune.
- Sample Size: 110 respondents.
- Sampling Technique: Purposive sampling (active digital payment users).
- Profile: 43% students, 55% professionals, 2% others.

**Data Collection Methods**

- **Primary Data:** Google Forms shared via social media; 12 questions on demographics, usage, awareness, and post covid effects.
- **Secondary Data:** RBI, NPCI reports, scholarly articles, and government publications.

**Research Instrument**

Structured questionnaire with five sections—Demographics, Usage Patterns, Platform Preference, Security Awareness, and Post-2020 Influences.

- Question types: MCQs, Likert scale, Yes/No.
- Validated via pilot test (50 respondents); Cronbach’s Alpha  $\geq 0.7$  ensured reliability.

**Data Collection Procedure**

Pilot and final surveys conducted online over 2–3 weeks with voluntary, consent-based participation. Data stored securely for academic use.

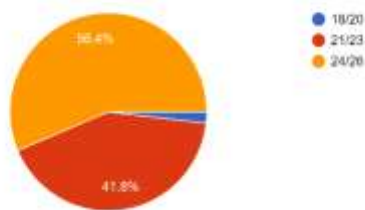
**Data Analysis Techniques**

Data cleaned and analyzed using descriptive (frequencies, percentages, charts) and inferential statistics (Chi-square, t-test/ANOVA, correlation). Tools used: MS Excel and IBM SPSS.

**XIV. DATA ANALYSIS AND INTERPRETATION**

Q 1) What is your age?

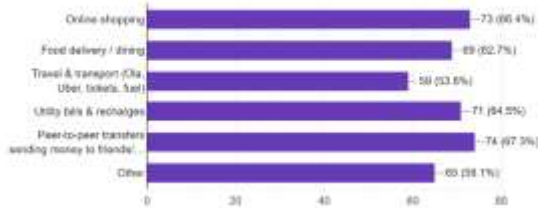
110 responses



Age Group	Response Number	Percentage
18–20	2	2%
21–23	46	42%
24–26& above	62	56%
Total	110	100%

Q 6) For what purposes do you mostly use digital payments

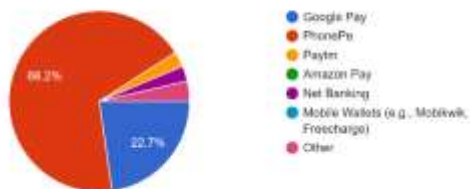
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Platform	Response Number	Percentage
Google Pay	25	23%
PhonePe	75	68%
Paytm	3	3%
Amazon Pay	0	0%
Net Banking	3	3%
Mobile Wallets (e.g., Mobikwik, Freecharge)	0	0%
Others	4	3%
Total	110	100%

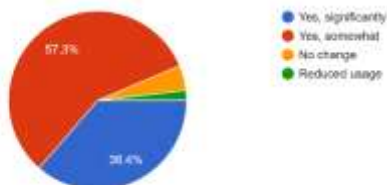
Q 8) Which digital payment platform do you use most frequently? [Copy](#)

110 responses



Q 14) Did COVID-19 (Contactless Payments) increase your use of digital payments?

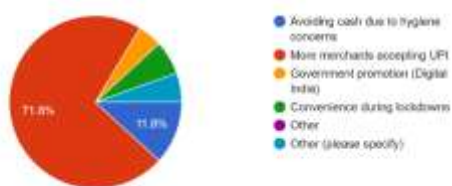
110 responses



Options	Response Number	Percentage
Yes, significantly	40	36.4%
Yes, somewhat	63	57.3%
No change	4	4.5%
Reduced usage	2	1.8%
<b>Total</b>	<b>110</b>	<b>100%</b>

Q 15) Which of the following influenced your increased digital payment usage after 2020? [Copy](#)

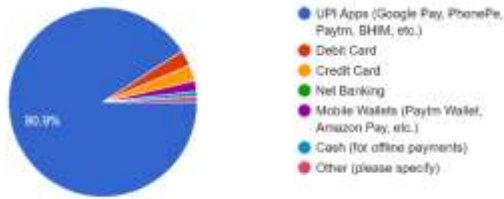
110 responses



Options	Response Number	Percentage
Avoiding cash due to hygiene concerns	13	11.8%
More merchants accepting UPI	79	71.8%
Government promotion (Digital India)	5	4.5%
Convenience during lockdowns	7	6.4%
Others	6	5.5%
<b>Total</b>	<b>110</b>	<b>100%</b>

Q 17) Which payment method do you use most often (both online & offline)?

110 responses



Payment Method	Response Number	Percentage
UPI Apps	100	90.9%
Debit Card	3	2.7%
Credit Card	3	2.7%
Net Banking	0	0%
Mobile Wallets	2	1.8%
Cash	1	0.9%
Others	1	%
Total	110	100%

## XV. FINDINGS OF THE STUDY

Based on the responses of 110 youth respondents in the age group 18–26 and Above years from Pune city, the following key findings emerged:

1. The high daily usage of digital payments.

A full 88% of the respondents reported using digital payments daily, indicating that cashless transactions have become routine in youth lifestyles.

2. Most Common Usage Purposes

The top purposes of using digital payments were: Food delivery/dining – 75.4%

Utility bills & mobile recharges – 70.2% Online shopping - 68.4%

Travel/transport - 66.7% .This indicates that youth depend a lot on digital modes of paying for routine lifestyle..

3. Dominant Platforms: Google Pay & PhonePe

While 91% of respondents preferred both Google Pay and PhonePe equally, Paytm had almost less preference, reflecting changing youth preference towards UPI-first apps.

4. Medium Security Awareness

While 43% of the respondents showed a neutral level of concern about security, as many as 72% reported at least one fraud or failed transaction. That means, though the usage is high, security awareness is not strong.

5. COVID-19 has forcibly accelerated digital adoption.

About 57.3% of the respondents said COVID-19 increased their usage of digital payments, thus confirming that this pandemic accelerated behaviour change.

6. Digital India Initiatives Boosted Usage

In addition, about 88.2% of respondents agreed or strongly agreed that Digital India initiatives supported their shift to digital payments.

7. Youth are the Strongest Adopters

The biggest proportion of the respondents belonged to 24–26& above years of age (56%), thus indicating that youth are the most active users of digital payments in urban Maharashtra.

## XVI. Conclusion

This study highlights how digital payments are a significant factor in the way young people handle their cash in Pune. Almost all the survey participants use these applications every day. They do it mostly for food, shopping, paying bills, or meeting travel expenses. Google Pay and PhonePe stand out as the favorites among UPI options. People keep coming back to them because they trust the apps and find them easy to use in real life. Communities these days lean heavily towards cashless options than ever before. That push comes from stuff like COVID changes or mammoth efforts such as the Digital India campaign. Young folks show a lot of confidence when it comes to tech for payments. Still, their grasp on security risks with these apps sits at about an average level. A good number of participants even mentioned running into fraud or transactions that just fell through when they tried using an app. Overall, digital payments fit into the daily routines of these participants. That said, the field could use better education on digital skills and security know-how. It would help make everything safer and last longer in the long run.

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