

# A Study on Digital Payment System- with special reference to Youth

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## **Abstract:**

The present era is entering into a new pace in digital payment system by using digital wallets filled with coupons and offers. In particular, the mobile payment (m-payment) system has emerged, enabling users to pay for goods and services using their mobile devices (especially mobile phones) wherever they go. To make people stress free and to make transactions easy new application has been introduced. The present research paper is focusing on the impact and usage of these new digital payment systems on youth and problems encountered if any. The study is conducted in Mumbai region and data of 48 people was collected using structured questionnaire and analyzed using simple statistical tools.

**Keywords:** Digital payment, UPI, POS, e-wallet

## **Introduction:**

Digital payment system refers to an electronic device that allows an individual to make electronic commerce transactions, and also to purchase online items. It also facilitates digital wallet where it is linked to an individual's bank account. Customers use digital wallets to store payment data, eliminating the need to re-enter information each time when they make a purchase. Digital Payment system is a sample of Electronic Data Interchange (EDI). E-commerce payment systems have become very popular due to widespread use of the internet based shopping and banking. Its demand has further increased after the demonetization of the Indian currency on 8<sup>th</sup> November 2016.

## **Objectives:**

1. To study the usage on digital payment system amongst the youth
2. To know the problems and challenges of digital payment system
3. To highlight the importance of digital payment system

## **Hypothesis:**

1. There is positive relation between the gender who use the UPI- a digital payment service
2. Maximum number of people use E-wallet as digital payment service

**Research Methodology:**

**Source of Data:** The study is based on the primary and secondary data.

**Sample size:** The total population of 48 respondents was taken in consideration. The respondents were the youth. Efforts were made to include equal number of respondents from each category.

**Data Collection:** Data was collected using a questionnaire of 15 questions. The questionnaire was distributed among the youth through a Google form. The questionnaire included mainly the questions based on the use of digital payment system.

**Sample unit:** The research was conducted in Mumbai

**Statistical tools used:**

- Graphs
- Diagrams
- Correlation

**Limitations of the study:**

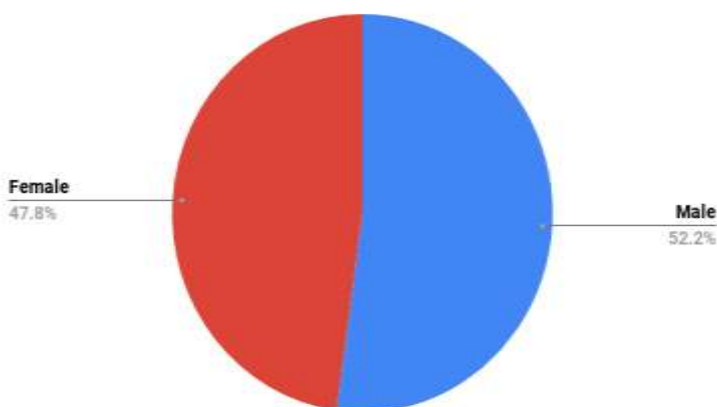
- The result is based only on the sample which is collected using convenient sampling method.
- A sample size of only 48 respondents was taken in consideration. The findings will differ with larger sample size.

**Data Analysis and Interpretation:**

**HYPOTHESIS:** There is positive relation between the gender who use the UPI -a digital payment service.

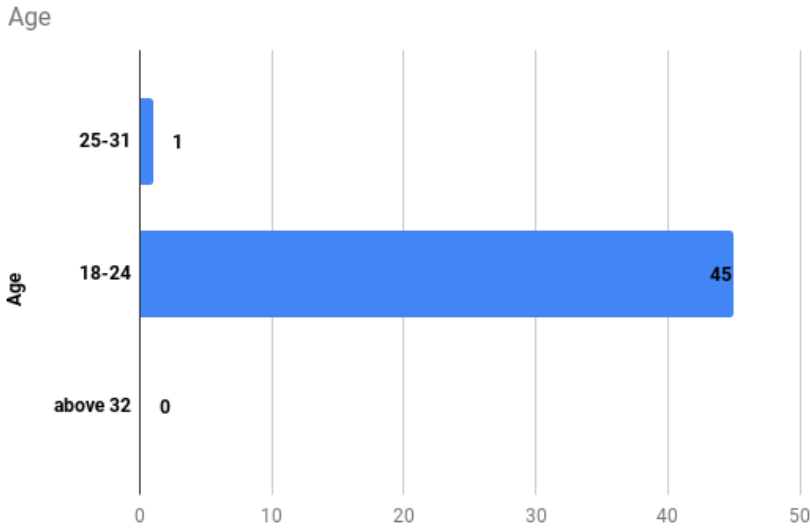
1.

Gender

**EXPLANATION:**

Using Correlation method it is found that there is a positive correlation between the male and female who use the UPI- a digital payment system. Out of the 48 responses 47.8% were females and 52% were males.

2. Usage of digital payment system amongst youth

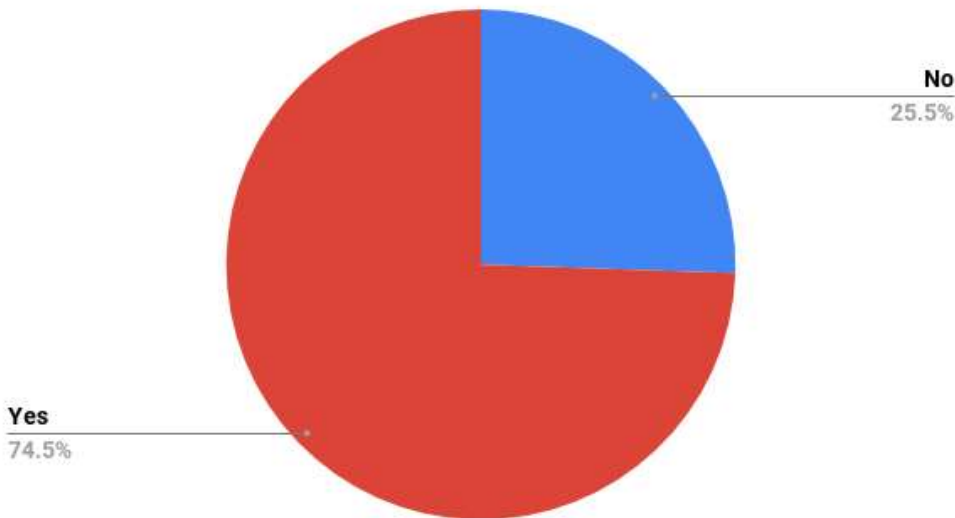


**EXPLANATION**

The above diagram clearly indicates the popularity of digital payment system amongst youth.

3. Number of respondents using digital payment system.

**Use digital payment system**

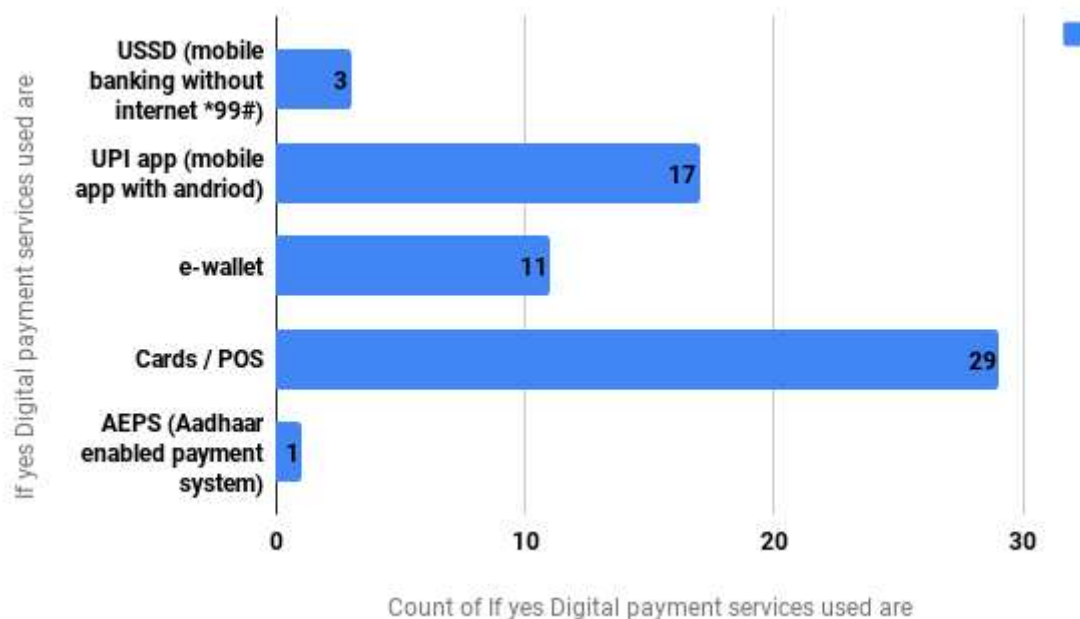


**EXPLANATION**

When asked about the use of digital payment system out of the total responses 74.5% uses digital payment system and 25.5% doesnot use any digital payment mode which clearly shows the popularity of digital payment system.

4. Maximum number of people use mobile banking as digital payment service

### Digital payment services used

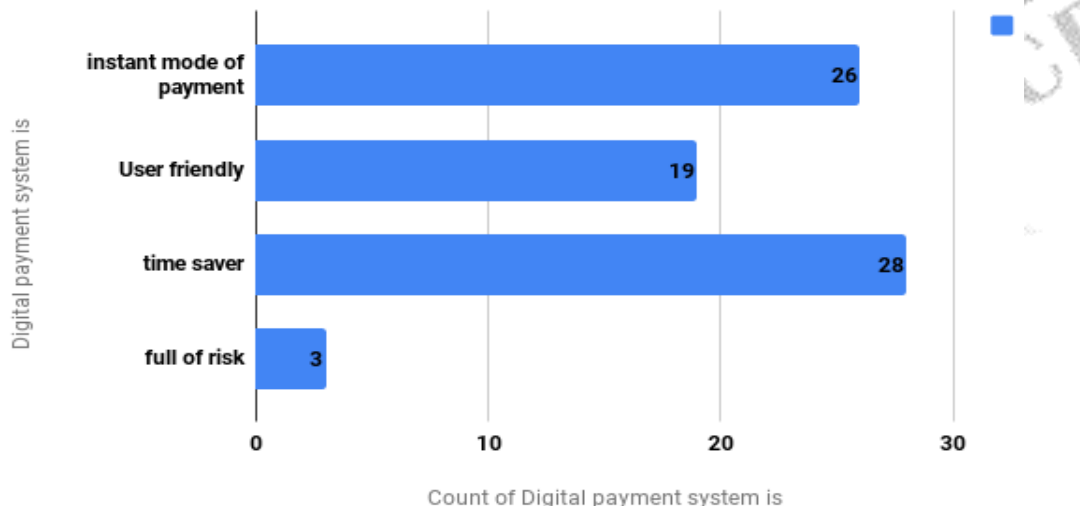


### EXPLANATION

From the above graph we can see that maximum number of people use cards/pos as a mode of digital payment. It also shows that people use multiple modes of payment in their day to day life.

5.

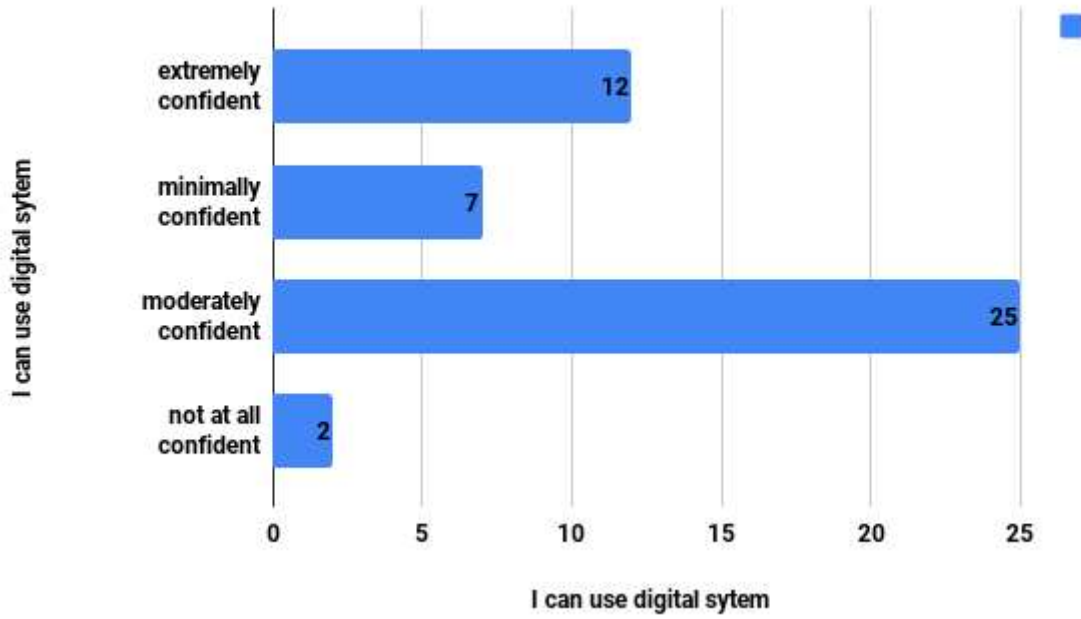
### Digital payment system is



### EXPLANATION

When asked about the advantages of using digital payment system 26 respondents said that it is instant mode so can be used easily anywhere. 19 respondents use because it is user friendly, 28 said that it saves time and only 3 think that it is very risky to use this system.

### I can use digital sytem

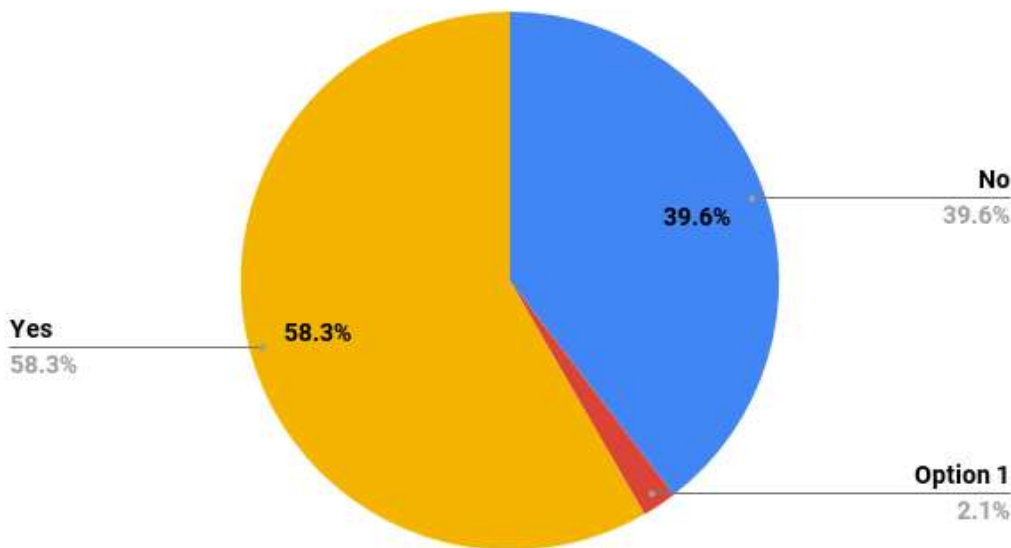


### EXPLANATION

When asks about the confidence and ease of using the system most of the respondents were moderately confident, 12 were extremely confident in using the digital payment system.

6.

### Government should make digital payment system mandatory



Whether digital payment system should be made mandatory by the government 58.3% were in favour of making it compulsory and 39.6% were against it.

Findings

- People are more aware about the online payments through mobile applications and there is a wider increase in growth rate.
- Currently, there is a mix of cash and cashless transactions happening across the country, while many enablers are working towards turning the cashless economy dream into a reality.
- Effective planning and regulation of digitization would help Indian economy to compete with the mature economies in the coming years.
- People are more confident in using digital mode of payments
- Different applications of digital payment service are becoming popular amongst youth.

### ***Conclusion and Suggestions:***

However, the benefits of this move have now started trickling in with more and more people switching to digital modes of receiving and making payment. India is gradually transitioning from a cash-centric to cashless economy. Digital transactions are traceable, therefore easily taxable, leaving no room for the circulation of black money. The whole country is undergoing the process of modernization in money transactions, with e-payment services gaining unprecedented momentum. A large number of businesses, even street vendors, are now accepting electronic payments, prompting the people to learn to transact the cashless way at a faster pace than ever before.

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