

Adoptability of Digital Payment Among Youth; A Study with Special Reference in Dakshina Kannada District

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Abstract

A digital payment, also known as an electronic payment, is the transfer of value from one payment account to another using a digital device such as a mobile phone, POS, or computer as well as digital communication channel such as mobile wireless data. Digital transitions are to reduce the costs and risks of handling cash, increase the ease of conducting online transitions and increase transparency among the monetary transitions among people. E-wallet payments are becoming more compatible for the Indian economy guided by Smart phone pivotal internet utilization. India presently has around 8.5 Cr. unique active mobile wallet users. Out of all the transactions through mobile wallets the higher percentage is done by Indian youth.

Keywords

Digital payment, E-wallet, E-commerce.

Introduction

Digital payments are transactions that take place via digital or online modes, with no physical exchange of money involved. This means that both parties, the payers and the payee, use electronic mediums to exchange money. The government of India has been undertaking several measures to promote and encourage digital payment in the country. As part of 'digital India' Campaign, the Government has an aim to create a digitally empowered economy that is Paperless, Faceless, Cashless.

If we were around during pre-internet era, we probably had stacks of cash at home. Every financial transaction involved physical money. Salaries were paid in cash and savings were also in the form of physical money. But today we have come a long way from the era of physical payments. It is now possible to live a full life without ever holding a physical note of money in our hand, that's because everything is digital.

India's digital payment system has been advancing heartily over the past numerous years. The advent of online banking began in 1990s with the availability of internet. online banking changed the entire scenario of financial services. The evolution of digital payment in India is piloted by the Reserve Bank of India (RBI) and captured in the payment system in India, published in 1998.

Today e-commerce has become an important part of daily life. Accessibility to e-commerce platforms is not a privilege but rather a necessity for most people. As in the 21st century as the internet become the most frequently and most necessity device, it will surely rise to achieve more growth and sales via the internet.

Various methods of digital payment:

Banking Cards

Unified Payments Interface (UPI)

Mobile Wallets

Bank Prepaid Cards

Internet Banking

Mobile Banking

Micro ATMs

Literature Review

E-Commerce plays an important role in upgrading and developing the Indian economic system. It provides support to small and medium enterprises to flourish their business. On the other hand, E-commerce faces some challenges also which we need to work on like lacks of cyber laws, lack of computer education etc. (*Pallavi Saxena 2016*). E-commerce is the best way to handle all the cashless transaction in a single hand (*Priyanka K, Abhinandan Kulal 2022*). The standard features with ease of use are more useful to increase the use of E-wallet. They says the student effectively adopted the E-wallet transaction compare to others (*Alwan Sri Kustono, Ardhya Yudistira Adi Nanggala et.al 2020*). When group of people believe and interested in something, it will spread out quickly and Government should push all government's facility such as Bangkok mass transit, post office and other services to support E-wallet payment system (*Pharot Intarot, Chutima Beokhaimook (2018)*)

Research Gap

As per literature review that we have done it is found that there are no research on the topic under study during this period, an as well as in the area under study.

Hence we have under taken this present study.

Objectives of the Study

To find out the factors affecting digital transaction.

To study the awareness level of digital payment system among respondents.

Hypotheses

H01: There is no significant relationship between personal profile of the respondents and frequency of usage on digital payment system.

H02: Level of awareness about the functions of digital payment system is independent of the personal profile of the respondents.

H03: Personal profile of respondents has no significant relationship with their years of experience with digital payment system.

Scope of the Study

The area of study is Dakshina Kannada District. The respondents are the users of digital wallets of Dakshina Kannada District. The study was conducted during December 2023.

Research Methodology

The current study is a descriptive research. It is based on both primary and secondary sources of data. The primary data was collected through well designed questionnaire served to the respondents through google form. Secondary source of data was collected from journals and websites. The questionnaires were sent 300 respondents but finally we have received responses from 263 respondents. We have used SPSS software for the analysis of data.

Limitations of the Study

This study limited to Dakshina Kannada District only.

The research is based on the responses given by the respondents, which may or may not be biased.

Data Analysis and Interpretation

In this part of the study, the data collected for the study are being analysed and interpreted.

Table 1
Personal profile of the respondents

Sl. No	Variable	Options	Number of respondents	Percentage
1	Gender	Female	202	76.8
		Male	61	23.2
		Total	263	100
2	Age	Below 15	1	0.4
		15-25	245	93.2
		25-35	14	5.3
		Above 35	3	1.1
		Total	263	100
3	Education	SSLC	6	2.3
		PUC	14	5.3
		Graduate	185	70.3
		Post graduate	58	22.1
		Total	263	100
4	Occupation	Government Employee	5	1.9
		Private Employee	24	9.1
		Self Employee	11	4.2
		Student	212	80.6
		Other	11	4.2
		Total	263	100
5	Marital status	Unmarried	251	95.4
		Married	12	4.6
		Total	263	100

Source: Primary data

It is clear from Table 1 that 76.8% of the respondents are female, 93.2% of the respondents are of the age group between 15 to 25 years, 70.3% of respondents are graduates, 80.6% are students, majority (95.4%) of respondents are unmarried.

Table 2
Experience of the respondents in digital payment

Options	Number of respondents	Percentage
Less than one year	135	51.3
1-4	97	36.9
4-8	21	8
More than 8 years	10	3.8
Total	263	100

Source: Primary data

According to the Table 2, majority (51.3%) of the respondents are having less than 1-year experience in digital payment. Only 3.8% of respondents are using digital payment for more than 8 years.

Table 3
Classification of respondents on the basis of preferred digital payment method

Options	Number of respondents	Percentage
ATM/Debit card	128	48.7
Credit card	22	8.4
Google pay	136	51.7
Phone pay	112	42.6
Paytm	48	18.3
Amazon	20	7.6
Other	36	13.7

Source: Primary data

It could be observed from Table 3 that 51.7% (majority) of the respondents prefer Google pay digital transaction system, 48.7% of the respondents use ATM\Debit card, and only 7.6% of them select the Amazon digital transaction method.

Table 4
Frequency of use of the digital payment

Options	Number of respondents	Percentage
Daily	54	20.5
Weekly once	50	19
Monthly once	33	12.5
Only some times	126	47.9
Total	263	100

Source: Primary data

It is fact from Table 4 that 47.9% of the respondents have occasionally used the digital payment system, 20.5% of the respondents have used it daily, 12.5% of the respondents used it once in a month.

Table 5
Ranking of the following purposes of using digital payment system

Purpose	Mean	Rank
Electricity bill	2.710	5
Grocery bill	2.7338	4
Gas bill	2.6616	6
Mobile recharge	3.3878	1
Money transfer	3.2662	2
Other	2.8517	3

Source: Primary data

According to the Table 5, most of the respondents use digital payment for mobile recharge purpose and it is followed by money transfer, other reasons, grocery bills, payment of electricity bill and finally for payment of gas bill.

Table 6
Money load for digital payment on monthly basis.

Options	Number of respondents	Percentage
Less than 500	106	40.3
500-1000	90	34.2
1000-5000	34	12.9
More than 5000	33	12.6
Total	263	100

Source: Primary data

It is fact from Table 6 that 40.3% of the respondents load less than Rs. 500 on monthly basis, 40.3% of them load Rs. 500 to Rs. 1000 on digital wallet and only 12.6% of the respondents load more than Rs. 5000.

Table 7
Factors affecting the reasons for use of digital payment system

Options	Number of respondents	Percentage	Rank
Save time	182	69.2	1
24\7 service	116	44.1	2
Convenient	83	31.6	3
Increase prestige	19	7.2	6
Rewards	45	17.1	4
Other	28	10.6	5

Source: Primary data

Table 7 shows the ranking of various factors affecting the reasons for use of digital payment system. It could be observed from the table that time savings is the most important factor influencing digital transactions, it is the followed by easy payment option, 24\7 service and convenient to use, convenience, 17.1 % respondents are attracted towards rewards.

Table 8
Awareness about the functionality of digital payment system

Options	Number of respondents	Percentage
Fully aware	71	27
Partly aware	162	61.6
Not aware	30	11.4
Total	263	100

Source: Primary data

Table 8 reveals the classification of respondents on the basis of awareness of the functionality of digital payment. Among 263 respondents 61.6% of the respondents are partly aware, 27% of the respondents are fully aware about functionality of digital payment system.

Table 9
Limitations for digital transaction

Options	Number of respondents	Percentage
Server problem	154	58.6
Fear to fraud	93	35.4
Hidden charges	56	21.3
Complicated instruction	26	9.9
Danger of losing money	83	31.6

Source: Primary data

Table 9 reveals the classification of respondents on the basis of limiting the usage of digital payment. Among 263 respondents, 58.6% of the respondents suffer from server problem, 35.4% of respondents have the fear to fraud as limiting factor, 9% of respondents choose complicated instruction as limiting factor.

Testing of Hypothesis

H_{01} : There is no significant relationship between personal profile of the respondents and frequency of usage on digital payment system.

Table 10
Chi-square value of H_{01}

Profile	Chi-square value	df	P value
Gender	45.537	3	0.000
Age	45.312	9	0.000
Education	45.434	9	0.000
Occupation	43.671	12	0.000
Marital status	7.047	3	0.070

Source: Compiled from Primary Data

Level of significance 5%

It is true from the Table 10 that the calculated Chi-square values at 5% level of α are significant and therefore we have to reject the hypothesis. Hence, it is found that there is significant relationship between personal profile of the respondents and frequency of usage on digital payment system.

H₀₂: Level of awareness about the functions of digital payment system is independent of the personal profile of the respondents.

Table 11
Chi-square value of H₀₂

Profile	Chi-square value	df	P value
Gender	5.565	2	0.062
Age	10.968	6	0.089
Education	12.439	6	0.002
Occupation	24.975	8	0.002
Marital status	6.819	2	0.033

Source: Compiled from Primary Data

Level of significance 5%

It is crystal clear from the above table that the calculated statistics for gender and age is insignificant at 5% level of significance and significant for educational qualification, occupation and marital status of the respondents. Hence, we conclude that educational qualification, occupation and marital status of the respondents have significant impact on the level of awareness about the functions of digital payment system.

H₀₃: Personal profile of respondents has no significant relationship with their years of experience with digital payment system.

Table 12
Chi-square value of H₀₃

Profile	Chi-square value	df	P value
Gender	22.550	3	0.000
Age	35.505	9	0.000
Education	42.960	9	0.000
Occupation	42.540	12	0.000
Marital status	15.571	3	0.001

Source: Compiled from Primary Data

Level of significance 5%

It is fact from Table 12 that the computed chi-square values are significant at 5% level of significance, hence we have rejected the hypothesis and concluded that personal profile of respondents has significant relationship with their years of experience with digital payment system.

Findings

It is found in the study 76.8% of the respondents are female, 93.2% of the respondents are of the age group between 15 to 25 years, 70.3% of respondents are graduates, 80.6% are students, majority

(95.4%) of respondents are unmarried. Majority (51.3%) of the respondents are having less than 1-year experience in digital payment. Only 3.8% of respondents are using digital payment for more than 8 years. 51.7% (majority) of the respondents prefer Google pay digital transaction system, 48.7% of the respondents use ATM\Debit card, and only 7.6% of them select the Amazon digital transaction method. It is fact that 47.9% of the respondents have occasionally used the digital payment system, 20.5% of the respondents have used it daily, 12.5% of the respondents used it once in a month, most of the respondents use digital payment for mobile recharge purpose and it is followed by money transfer, other reasons, grocery bills, payment of electricity bill and finally for payment of gas bill, 40.3% of the respondents load less than Rs. 500 on monthly basis. Time savings is the most important factor influencing digital transactions, majority of the respondents (61.6%) of the respondents are partly aware and only 27% of the respondents are fully aware about functionality of digital payment system. Server problem is the biggest problem that respondents are facing while using Digital Payment System. Results of the hypotheses tested reveals the fact that there is significant relationship between personal profile of the respondents and frequency of usage on digital payment system, educational qualification, occupation and marital status of the respondents have significant impact on the level of awareness about the functions of digital payment system, personal profile of respondents has significant relationship with their years of experience with digital payment.

Conclusion and Suggestion

The digital payment ecosystem in India has grown significantly in recent years, driven by government initiatives, an increase in internet and smartphone penetration and raise of E-commerce. Even with the certain difficulties people are still attracted towards the digital payment system. More and more people are getting towards the digital payment system because of its ease of use, time saving, being cash less, no banking hours time bound. The country need to move way from the cash-based towards cashless (digital) payment system.

1. Acceptability of e-wallets as mode of receiving payments by more merchant's especially small vendors can help in popularizing digital adoptions
2. Stringent cyber security law and good governance can ensure confidence among users by building secured platforms.
3. Lowered additional charges on transaction would act as an impetus by for the users to whom cost is a major deterrent in digital adoption.
4. Customer grievances and proper redressed forum should be established so that distrust issues can be taken care of.
5. Making college infrastructure more digital friendly, thus encouraging the young minds to learn digital nuances.
6. Increasing the awareness and associated benefits can further help in deeper penetration.

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