IMPACT OF DIGITAL PAYMENT SYSTEM AMONG YOUTH WITH SPECIAL REFERENCE BELTHANGADY TALUK OF DAKSHINA KANNADA DISTRICT

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ABSTRACT

Rapid expansion of technology with the widespread internet usage has led to digital transformation especially in financial sector. It enables the stakeholders to creation of value and innovative services to acquire the capabilities to cope up with the changing circumstances. This transition in the banking sector has significantly transformed the financial behavior of youth in India, particularly in semi-urban and rural regions towards digital payment.

The researcher has made this study to examine the usage of digital payments among youth and their behavior in the title 'Impact of digital payment systems among youth with special reference to Belthangady Taluk of Dakshina Kannada District. The primary aim of this study to analyze the awareness about digital payment and methods of digital payment among youth, determine the factors which are influence the youth regarding adoption and assess the benefits and challenges associated with digital transactions. In this study researches has collected required primary data through a structured questionnaire from 118 respondents aged 18–30 years. Secondary data was collected from journals, reports, and online sources. In this study Descriptive Statistical tools were used for analysis and interpretation of data. This study depicts that majority of the youths adopted the mobile wallets, UPI and debit card payments systems as they are very much convenient, speed, and ease of access. Apart from this, there are few issues and challenges were found in the study such as network connectivity, cyber security and fraud. This study mainly highlights the acceptance of cashless transactions system through digital payment by the youth.

Keywords: *Digital payment, e- Payment, Net Banking, E-wallet, Mobile banking*

Introduction

Rapid expansion of technology with the widespread internet usage has led to digital transformation especially in financial sector. It enables the stakeholders to creation of value and innovative services to acquire the capabilities to cope up with the changing circumstances. This transition in the banking sector has significantly transformed the financial behavior of youth in India, particularly in semi-urban and rural regions towards digital payment.

Now a day's Government of India take different initiatives to lift the Indian

economy in tune with the Vikasith Bharath 2040. The major initiatives are Digital India, financial inclusion programs, and make in India. The make in India initiative enhance the smart phones era which accelerated the adoption of digital payment system in the place of cash payment system. Different digital payment methods such as mobile wallets, UPI, debit and credit cards, net banking, Amazon pay, etc are widely accepted by the public especially youth population in India as they very much techno savvy compared to earlier generation. Since the youth are the major population of the country, their usage behavior plays a significant role in shaping the future of digital finance in the country.

Adoptions of digital payment system in semi-urban and rural area are very impactful to replace the long dominated cash based transactions. Digital payment system gave the big boos to Indian financial sector to enhance the financial inclusion by providing easy access of formal financial services and reduce the cash transactions and also increase the transparency. Since, India is adopting advance technology gradually, there are challenges to financial sectors especially in semi-urban and rural area to popularize the digital payment system due to poor network, lack of digital literacy, lack of proper infrastructure and cyber security issues.

In Dakshina Kannada District, Belthangady Taluk is comparatively has huge youth population as it is connected with gat section and pilgrim place Dharmastha and the Ujire is said to be education hub. In Belthangady taluk both traditional and modern payment systems are existed. In order to understand the awareness, usage and perception about digital payment systems among youth this study has conducted by involving the youth aged between 18 to 30 years those who are actively engaged in education, employment and entrepreneurship.

With this view, this study aims to examine the impact of digital payment system among youth in the Belthangady Taluk of Dakshina Kannada District. This study analyze the awareness about digital payment and methods of digital payment among youth, determine the factors which are influence the youth regarding adoption and assess the benefits and challenges associated with digital transactions. The major outcomes of this study may useful to give valuable insights to financial institutions, policy makers, Government and other stakeholders.

Literature Review

With growth of the digital payment systems in India different studies were undertaken by the number of researchers, few important studies which related the topic researcher has analysed the following studies.

In the study titled Digital payment adoption among youths A global Perspective (, introduced the Technology Acceptance Model (TAM), which explains how perceived usefulness and perceived ease of use influence people's acceptance of new technologies, including digital payments. The study suggests that youths adopt digital payments more quickly due to their high exposure to technology. (Davis, F. D. (1989)).

In the present era with the advent of technology, digital payment systems give different offers such as 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. 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. (Sweta Mishra and Vidhi Rajora (2018)

Ravi and Prasad tudied the adoption of digital payment systems in India and found that convenience, speed, and ease of use were the primary factors influencing consumer acceptance. Their study highlighted that younger users were more inclined toward digital payments due to higher levels of technological awareness and smartphone usage. However, the authors also identified security concerns and lack of trust as major barriers to adoption among certain user groups. (Ravi and Prasad (2018))

Due to moderation and globalization, it was very important for the people to accept the modern method of payment. The study is based on secondary data and various literatures from past papers and government data. All data collected has been analysed and used to find the impact and adoption of digital payments by the people (Pandey and Rathore (2018).

Digital Payment vs. Traditional Cash Transactions study compares cash payments and digital transactions, finding

that digital payments are more efficient, trackable, and safer but face resistance due to habitual cash usage and security concerns (Ramaswamy, S. (2018).

The study of Singh and Kumar identified how digital payment methods help include more people in the financial system, especially young adults. Their study found that digital payments can bridge gaps where traditional banking falls short. They point out that many young users, particularly in rural or semi-urban areas, gain access to financial services through mobile technology. The paper notes that digital payments reduce the need for physical bank visits. It also discusses the social impact of making financial services more accessible to all. This research underlines the role of digital payments in enhancing financial inclusion (Singh, R., & Kumar, P. (2019).

In the study the role of digital payment systems in promoting financial inclusion in rural India, it is concluded that digital payments reduced dependence on cash and enhanced transparency in financial transactions. However, the authors pointed out that inadequate digital infrastructure and limited digital literacy continued to hinder effective implementation, particularly in remote areas (Sharma and Singh (2020).

Objectives of the study

1. To study the level of awareness of digital payment systems among youth in Belthangady Taluk of Dakshina Kannada District.
2. To examine the usage pattern of various digital payment methods among youth.
3. To identify the factors influencing the adoption of digital payment systems among youth.
4. To study the challenges and problems faced by youth while using digital payment systems.
5. To assess the overall impact of digital payment systems on the financial behavior of youth.

Hypotheses

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

H_{02}: Level of awareness about the functions of digital payment system is independent of the personal profile of the respondents.

H_{03}: Personal profile of respondents has no significant relationship with their years of

experience with digital payment system.

Scope of the study

The scope of this study is confined to Youths aged between 18 years to 30 years located in Belthangady Taluk of Dakshina Kannada District. The study focuses on students, self-employed, employed and entrepreneurs to study their behavior towards usage of different methods of digital payment. The study was conducted during December 2025.

Research Methodology

This study is a descriptive in nature based on both primary and secondary data. The primary data was collected through well structured questionnaire distributed among 150 youth respondents through google form. Convenience sampling method is adopted to select the respondents. out of 150 respondents, complete and usable response from 118 respondents. Secondary data which was required for the study is collected through journals, books, reports and websites. The primary data which was collected through questionnaire were coded, tabulated and analysed using the SPSS software.

Limitations of the study

1. This study is limited to semi-urban and rural area of Belthangady Taluk of Dakshina Kannada District.
2. The study is based on the data collect form 118 respondents which may or may not be biased.
3. This study confined to youth aged between 18-30 years where the behavior may differ

Data analysis and Interpretation

The primary data collected through structured questionnaire for the study are being analysed and interpreted in this part.

Table 1: Personal profile of the respondents

Sl. No	Variable	Category	Number of respondents	Percentage
1	Gender	Male	87	73.70
		Female	31	26.30
		Total	**118**	**100**
2	Age	Below 20	8	6.80

		20 -25	86	72.90
		25-30	24	20.30
		Total	**118**	**100**
3.	Education	PUC	14	11.90
		Graduate	56	47.50
		Post graduate	42	37.60
		Others	06	5.10
		Total	**118**	**100**
4	Occupation	Government Employee	05	4.20
		Private Employee	24	20.30
		Self Employee	18	15.30
		Student	60	50.90
		Entrepreneurs	11	9.30
		Total	**118**	**100**
5	Marital status	Unmarried	106	89.80
		Married	12	10.20
		Total	**118**	**100**
6	Monthly income	Below Rs. 20,000	68	
		Rs. 20,000 to Rs. 30,000	09	
		Rs. 30,000 to Rs. 40,000	06	
		Rs. 40,000 to Rs. 50,000	14	
		Above Rs. 50,000	21	
		Total	**118**	**100**

Source: Primary data

The above table reveals the personal profile of the respondents. Out of 118 respondents, 73.70% are male and 26.30% are female respondents. This shows the male youth's participation is more compare to female.

Regarding age, 72.90% are of the age group between 20-25 years, 20.30% belongs to the age group of 25-30 years and only 6.80% are from the age group of below 20 years which shows respondents are majorly belongs to students.

In terms of educational qualifications, most respondents were graduates (47.50%) and postgraduates (35.60%) and occupation wise majority were students (50.90%) reflecting a generally well-educated sample.

In this study majority respondents were unmarried (89.80%) and belongs to income group of less than Rs. 20,000 (57.60%). This reveals that as majority of the respondents are students and they are not the earners.

Table 2: Experience of the respondents in digital payment

Options	Number of respondents	Percentage
Less than one year	27	22.90
1-4	67	56.80
4-8	21	17.80
More than 8 years	03	2.50
Total	**118**	**100**

Source: Primary data

The Table 2 demonstrates that most of the respondents (56.80%) have been using the digital payment system from last 1 to 4 years. Only 2.50% of respondents are using digital payment for more than 8 years. This depicts that majority of users having moderate experience and recent adoption.

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

Options	Number of respondents	Percentage
ATM/Debit card	13	11
Credit card	14	11.90
Google pay	49	41.50
Phone pay	18	15.30
Paytm	14	11.90
Amazon	03	2.50
Other	07	5.90
Total	**118**	**100**

Source: Primary data

The above table depicts that, 41.50% respondents are being used Goofle pay, 15.30% Phone pay, 11.90% paytm. This demonstrates that youths are very much familiar with the UPI based mobile apps.

Table 4: Ranking of the following purposes of using digital payment system

Purpose	Mean	Rank
College fee	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

The Table 4 highlights the purpose of using of digital payment system frequently. Majority of the respondents use the digital payment system for the purpose of mobile recharge as in it was in Rank 1 whereas using for the purpose of money transfer place a Rank 2 and the purpose of using digital payment system for household purpose such as payment of grocery bill or gas bill are very less as this study consists majority respondents are students. There primary moto is to recharge and money transfer.

Table 5: Factors affecting the reasons for use of digital payment system

S. No	Reasons	1	2	3	4	5	6	7	8	Mean score	Rank
1	Convenience	31	23	4	12	12	16	16	4	56.93	I
2	Time saving	16	16	12	19	16	8	16	15	50.30	III
3	Less Procedure	16	15	12	16	12	19	12	16	49.90	IV
4	Safety	16	12	23	12	8	16	8	23	49.23	V
5	Discounts and Rewards	8	16	8	4	23	20	35	4	46.30	VIII
6	Instant Payment	19	8	16	16	16	19	08	16	50.50	II
7	Easy Accessible	8	12	27	16	12	0	19	24	47.17	VII

8	Utility of Innovation	4	16	16	23	19	20	4	16	48.53	VI

Source: Primary data

This table indicates the primary objective of youth to use the digital payment system. As per the study youths use this payment system because of the convenience**,** with a mean score of 56.93**,** making it the most important factor. Another important factor to use the the digital payment system is less time-consuming mean score of 50.30 and Instant payment (Mean score 50.50).

The above study results suggest that easy accessibility and time saving and also quick and efficient financial transactions are important factors for the youth to use the digital payment system.

It is concluded the from the above table results that, the important factors influencing the youth for using digital payment system are convenience, time saving and instant payment means quick payment, safety and security, rewards are being secondary aspects.

Table 6: Awareness about the functionality of digital payment system

Options	**Number of respondents**	**Percentage**
Fully aware	38	32.20
Partly aware	68	57.60
Not aware	12	10.20
Total	**118**	**100**

Source: Primary data

The above table presents the level of awareness among youth about digital payment majority of the respondents 57.60 are partly aware of digital payment system, 32.20% of respondents are fully aware about this system. This reveals that it is necessary to create the awareness among youth on different methods of digital payment system and their pros and cons.

Table 7: Challenges of digital payment system

S. No	Reasons	1	2	3	4	5	6	7	Mean score	Rank
1	Security	39	8	8	12	16	19	16	4.33	I
2	Poor internet	27	12	12	20	23	8	16	4.27	III
3	Lack of Techno Savvy	8	12	20	19	19	24	16	3.15	VI
4	Cash Method	12	20	27	16	04	16	23	3.97	IV
5	Many Procedure	12	23	12	12	24	19	16	3.87	V
6	Fraud & Hidden charges	12	31	16	20	12	16	13	4.30	II
7	Other	8	12	23	19	16	16	20	3.07	VII

Source: Primary data

The above table demonstrates the challenges faced by the youth while using the digital payment system. The biggest challenge for the respondents while using digital payment is security with mean score of 4.33 placed in Rank 1. This suggests that fear about data breaches, frauds and safety financial transactions. Another important issue for the respondents while using digital payment system is fraud and hidden charges with a mean score of 4.30 placed in Rank 2. This shows respondents concern is to financial loss.

Network issue is another challenge faced by respondents which is in 3rd rank with a mean score of 4.27. Poor internet connectivity leads to the network issue may disrupt the digital payment process and lead to frustration.

Still cash payment systems are preferred by the respondents located in 4th rank with a mean score of 3.97. though there is advent of technology respondents are preferred to cash payment method because of security and safety issue.

It is concluded in the study that security, network issue and fraud and hidden charges are the major challenges for the wider acceptance of digital payment system by the youth.

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 08: 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%***

Based on Table 08, the calculated Chi-square values at a 5% significance level are found to be significant, leading us to reject the null hypothesis. This indicates that there is a significant relationship between the personal profile of the respondents and the frequency of usage of digital payment systems.

H_{02}: Level of awareness about the functions of digital payment system is independent of the personal profile of the respondents.

Table 09: Chi-square value of H_{02}

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, it is concluded 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.

H_{03}: Personal profile of respondents has no significant relationship with their years of experience with digital payment system.

Table 10: Chi-square value of H_{03}

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%***

As shown in Table 10, the computed Chi-square values are significant at the 5% level of significance. Therefore, rejected the null hypothesis and concluded that there is a significant relationship between the personal profile of the respondents and their years of experience with the digital payment system.

Findings of the Study

The analysis and interpretation of the collected data reveal several key insights regarding the usage, awareness, and challenges of digital payment systems among youth in Belthangady Taluk of Dakshina Kannada District. The major findings of the study are summarized as below:

- Majority of the respondents belongs to male respondents (73.70%) compare to female respondents (26.3%).
- The higher participation in the study is the respondents in the age group of 20-25 years (72.90%).
- Most of the respondents were graduates (47.50%) and post graduates (37.60%). Hence, respondents are well educated.
- Students were major contributors of this study as they are 50.90% and private employees are of 20.30%.
- Majority respondents were unmarried (89.80%) which indicates sample largely indicate the young individuals.
- In terms of income group, majority respondents belong to the income group of below Rs. 20,000.

- Majority of the respondents has experience of using digital payment system for last 1 to 4 years.
- A large group of respondents uses google pay digital payment.
- Mobile recharge (mean = 3.39) emerged as the most common use for digital payments, followed by money transfer (mean = 3.27), indicating that everyday transactions such as recharges and transferring funds are the primary drivers for digital payment adoption. College fees and grocery bills were also significant purposes, but gas bills were the least frequent use case.
- The main factors driving digital payment usage were convenience (56.93), followed by time-saving (50.30) and instant payments (50.50). These findings suggest that youth prioritize quick, efficient, and user-friendly systems for their daily transactions. Safety was also considered important but ranked lower compared to convenience and speed. Discounts and rewards were the least influential factors.
- 57.6% of respondents were partly aware of digital payment systems, while 32.2% were fully aware, and 10.2% were not aware at all. This indicates that while a significant portion of the youth population is familiar with digital payment systems, there is still a need for increased awareness to ensure broader understanding and adoption.
- The top challenge faced by respondents was security concerns (mean = 4.33), followed by concerns about fraud and hidden charges (mean = 4.30). Additionally, poor internet connectivity (mean = 4.27) was identified as a significant barrier, particularly in rural areas. Despite these challenges, respondents still prefer digital payments for their convenience, though factors like lack of techno-savviness and complicated procedures (ranked 5th and 6th) also act as deterrents.
- Demographic factors largely influence how frequently youth use digital payment systems.
- Awareness is affected more by education and professional exposure than by gender or age.
- Personal and socio-economic characteristics strongly influence

how long youth have been adopting digital payment methods.

Suggestions

Based on the findings of this study, the following suggestions were made:

- Cash payment is still to be seen everywhere. If Government wants to implement digital payment system or cashless society, it must act on that behalf by encouraging people to use digital modes and giving proper incentives.
- While making payment customer needs to give essential information. There must be a better mechanism for maintaining the privacy of the information provided by the user.
- Advance technology, Speed operating system should be adopted and High Security System should be use to safeguard the privacy of the customers.
- The technology advancement should adequately be supplemented with more security in banking operations.
- Service provider of mobile wallet, net banking must take into consideration user experience and take their valuable feedback in order to better their services.

Conclusion

This study explored the impact of digital payment systems among youth in Belthangady Taluk, Dakshina Kannada District, focusing on their awareness, usage, and challenges. The findings reveal that digital payments are widely adopted, with Google Pay being the most preferred method, driven by factors such as convenience**,** time-saving, and instant payments. However, challenges like security concerns**,** fraud**,** and poor internet connectivity hinder broader adoption.

The study mainly highlights the adaptability of digital payment system by youth in Belthangady taluk in spite of different challenges such as poor internet connectivity, safety and security and frauds. This indicates that youth in Belthangady are well educated and largely aware of digital payment system.

The digital payment ecosystem in India has grown significantly in recent years, driven by government initiatives, an increase in internet and smartphone penetration and raiseof 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.

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