



“A Study on Positive and Negative Impacts of Digital Payment Users on Youngster’s Consumer Behaviour at Kolar District”

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Abstract

Mobile payments apps are also called as digital payments used for easy transactions and payments. These digital apps were launched to users as these are useful. The study focuses on the advantages and the disadvantages of digital payment systems on young people consumer behavior. With an increasing number of younger generation, students, who engage in mobile payments and online financial platforms, the concern over its influence on product choices, purchase behavior and decisions is gradually shifting. The study also present the advantages and the difficulties that are linked with the implementation of SEPA and they include; The efficiency of transactions – SEPA has also brought with it vices such as; Technological reliance, security compromise, and emotional buying, and e-commerce access, and improved financial literacy. Therefore, in this research, top management perceptions as well as employee perceptions will be sought so as to gain a wider picture of how digital payments affect the buying behaviour of youngsters and how it should be employed appropriately and effectively will be explained.

Keywords: Digital payments, youth, buyer, innovation, technology.

Introduction

The idea of the electronic payment system in the last few years radically influenced the map of the financial operations among consumers, and, in particular, the youngsters. This form of payment utilizing digital system has come into preparation because of mobile phone usage, cheap internet services and the growth through Fintech. Easy options given by digital transaction methods like UPI, mobile wallets, and contactless payments like purchases have also revolutionized Young customers’ purchase behaviour.



Children, an entity of the population, who are innovative, to adopt new technologies, are leading this process of digital finance. Purchasing effectiveness of the systems provided the opportunities of impulse buying and growth of Online Shop popularity among young people due to its convenience. Moreover, giveaway reward points, cashback offers, and discounts also persuade young generations to go for digitally backed transactions above any other physical form of payment systems.

Therefore, while embracing this trend of non-cash payments the following drawbacks come with it; poor financial discipline, spendthrift and lastly security threats. The direct access to money and continuous payments cause the formation of a tendency to buy without thinking about the necessary amount to spend. In addition, external threats such as insecurity risks and fraud and fake accounts act as great barriers to developing trust in the digital payment system. Thus, the persistence of this paper is to examine the general and specific advantages and disadvantages of using digital payments as far as the consumer behavior of youngsters is concerned. This work aims to help understand the young consumers' new relationship between digital payments and digital spending through exploring their spending behaviour, decision-making and financial management behaviour. The study might present useful insights for financial education, practicing legislators and leaders and developers of fine technology with regard to inoculation of responsible digital financial behavior among young people.

Review Literature

1. **Mr. Manoj Kumar Mishra 2019**, Digital India is fast changing the business dynamics particularly on youth consumption patterns. This research also measures the impacts of digitalization on the dynamics of consumers through secondary data involving 100 the research articles that were analyzed using R-software were presented in the form of word clouds and tree maps. Despite the numerous positive implications highlighted in the paper, the given study is limited by the fact of using only secondary data sources that were not exposed to empirical testing, and thus offers numerous directions for further study and analysis.
2. **Sanjai 2021**, Today there are many mobile payment applications such as Paytm, PhonePe, and Google Pay are among people's favorite app due to convenience. As a data research method, descriptive techniques and statistical tools like ANOVA and chi-square are used, this research assesses 120 participants' data to assess the user satisfaction and usage of these payment apps.
3. **Roopal Asati 2023**, The paper aims at discussing how the availability of improved digital payment schemes like UPI and BHIM has impacted internet consumer purchase behavior, specially in the situations like demonetization and COVID-19 pandemic period. This paper narrows down its analysis to concern the special effects that these



changes have had on online buying and particularly the Generation Z consumers in the Delhi NCR area.

4. **Mala Goplani 2021**, The payment behaviour of consumers paying their bills through the digital payment methods especially focusing with the Indian Youth especially of age group 16 to 35 yrs with Gpay and Paytm . This makes people to focus on the time saving, convenient and transparent aspects these apps offer while equally pointing to government agenda championed through Demonetization and Digital India.
5. **Dr. D. Moorthy 2023**, The study investigates the impact of digital payment adoption on consumer behaviour and vendor practices, exploring shifts in purchasing habits and financial management. It also examines how vendors have adapted their strategies to meet changing consumer expectations in the evolving digital payment landscape
6. **Shinki Katyayani Pandey 2022**, The paper looks at how digital payment systems have changed in India, with particular attention on how traditional payment methods gave way to mobile-based options like UPI and how the COVID-19 pandemic affected the uptake of these digital tools by consumers. It draws attention to the notable rise in digital payments during the epidemic, which was fueled by growing reliance on contactless transactions and health concerns.

Statement of the Problem

The quick use of digital payment methods by young people has presented both possibilities and difficulties. These platforms expose consumers to dangers like overspending, impulsive purchases, and financial mismanagement, even while they provide convenience, efficiency, and access to financial services. Furthermore, worries about cybersecurity lapses, fraudulent transactions, and data privacy make matters more difficult. In this study, the important subject of how digital payment methods affect young people's purchasing behaviour both favourably and unfavourably—is addressed. As a result, this research aims to provide profound understanding of the existing state of the digital payment and its impacts on the young consumers by defining the main factors that shape these behaviours and exploring their consequences.

Objectives of the Study

1. To test the impact of the digital payment on the buying behavior and financial literacy Level among the youths.
2. To assess the effect of over reliance in the young person in employment in making expenditure other than wages through digital payment system.
3. To present proposals for the change and practice regarding youth and safe and appropriate use of digital payments facilities.



Scope of the Study

In this research, the author seeks to understand the impact of digital payment methods on, positive and negative, among young consumers. Particularly, it will target the youth which includes every individual within the age of 18-30 years who engages in UPI, mobile wallet, and online banking transactions. Young people will be asked questions about digital safety, budgeting, and purchasing behaviour during the research. Regionally, the research will only be carried out in various selected metropolitan and semi-urban centres with high uptake to digital payment methods. However, the study will also analyse situations where the purchases are both physical as well as those made online.

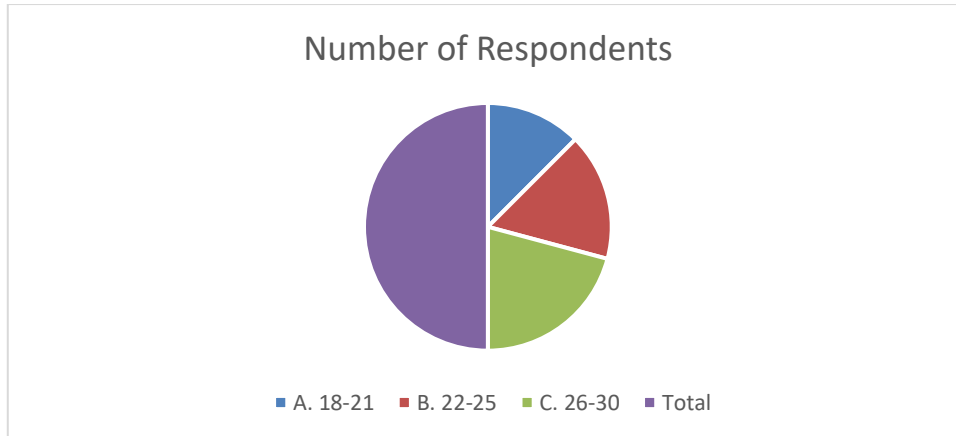
Research Methodology:

- **Research Design:** Descriptive Research Design
- **Research Approach:** Quantitative
- **Sampling Technique:** Convenience Sampling
- **Sample Size:** 60 respondents
- **Target Group:** Young individuals aged 18-30 years who actively use digital payment methods.
- **Data Collection Tool:** Structured questionnaire
- **Mode of Data Collection:** Surveys through Google Forms and in-person interviews
- **Data Analysis Tools:** Statistical tools such as SPSS and Microsoft Excel for data interpretation.

Data Analysis and Interpretation:

Table 1: Age Distribution of Respondents

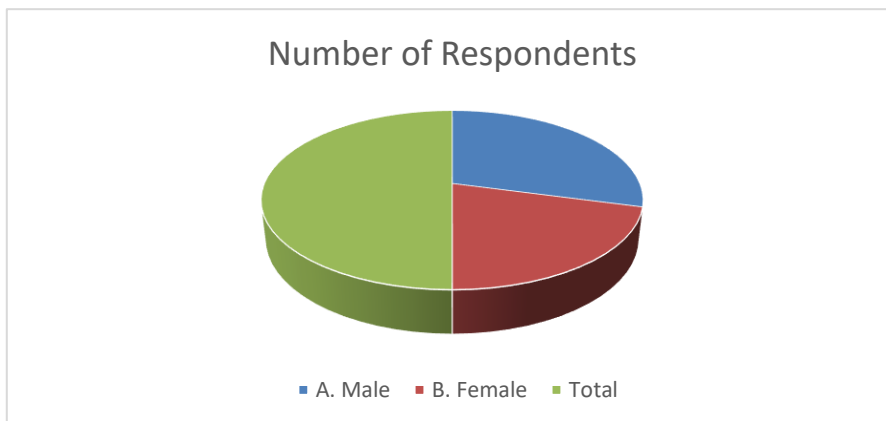
Particulars	Number of Respondents	Percentage
18-21	15	25%
22-25	20	33.33%
26-30	25	41.67%
Total	60	100%



Analysis and Interpretation: The age distribution shows that there is a balanced representation of all age groups, with the elderly segment having a somewhat higher concentration. This shows that younger and slightly older persons are both adopting digital payments.

Table 2: Gender Distribution of Respondents

Particulars	Number of Respondents	Percentage
Male	35	58.33%
Female	25	41.67%
Total	60	100%

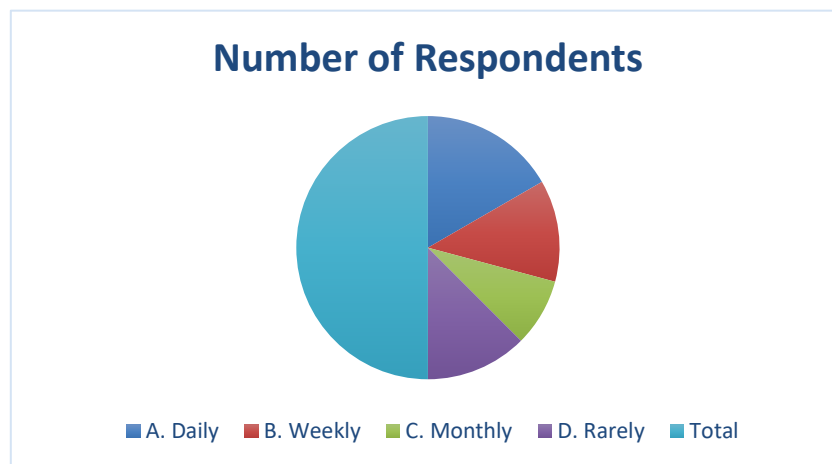


Analysis and Interpretation: The gender distribution of participants reveals both males and females, with males slightly more dominant, possibly due to varying engagement levels with digital payment platforms.



Table 3: Frequency of Digital Payments

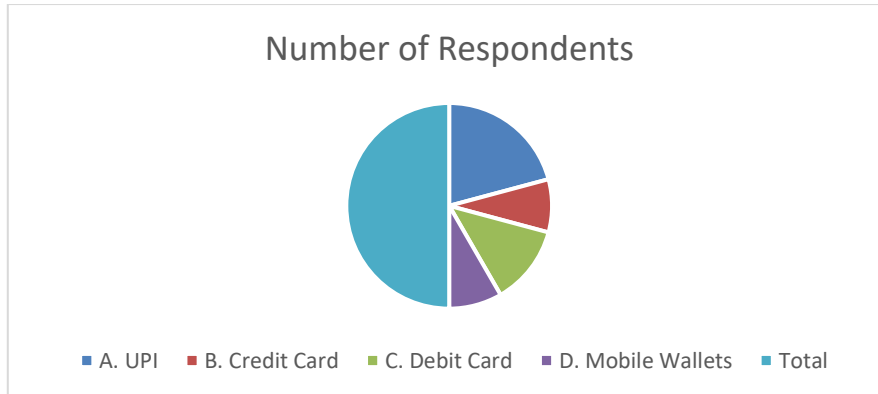
Particulars	Number of Respondents	Percentage
Daily	20	33.33%
Weekly	15	25%
Monthly	10	16.67%
Rarely	15	25%
Total	60	100%



Analysis and Interpretation: The data reveals varied frequency in the usage of digital payments, with a significant portion using them on a daily or weekly basis. This highlights the growing dependence on digital payment systems for routine transactions.

Table 4: Preferred Digital Payment Platform

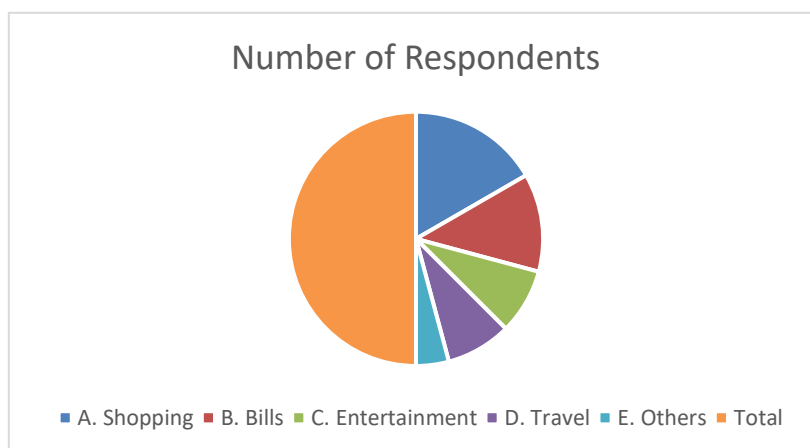
Particulars	Number of Respondents	Percentage
UPI	25	41.67%
Credit Card	10	16.67%
Debit Card	15	25%
Mobile Wallets	10	16.67%
Total	60	100%



Analysis and Interpretation: UPI emerges as the most preferred digital payment platform, indicating its ease of use and widespread acceptance. Credit cards and mobile wallets also have a notable share, reflecting diverse user preferences.

Table 5: Primary Purpose for Using Digital Payments

Particulars	Number of Respondents	Percentage
Shopping	20	33.33%
Bills	15	25%
Entertainment	10	16.67%
Travel	10	16.67%
Others	5	8.33%
Total	60	100%

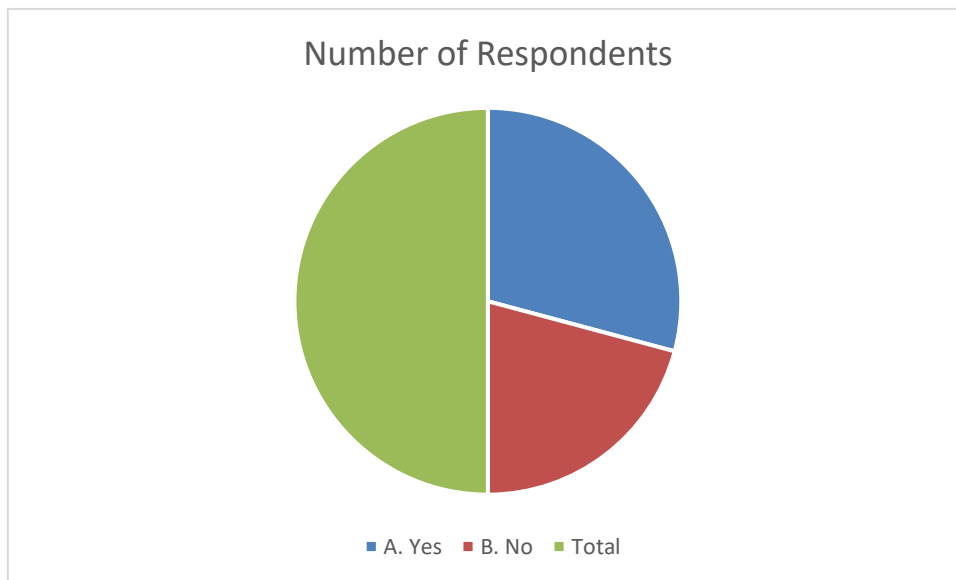




Analysis and Interpretation: Shopping and bill payments are the primary drivers for digital payment usage. Other purposes like entertainment and travel also contribute significantly, showing the versatility of these platforms.

Table 6: Digital Payment Purchase Frequency Study

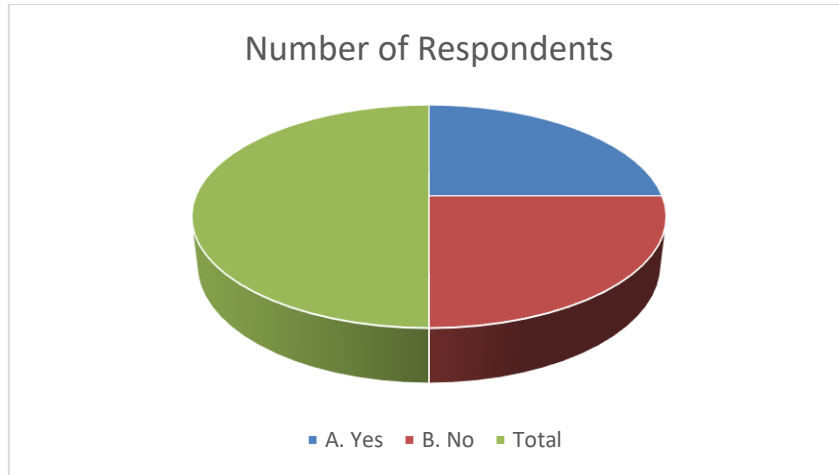
Particulars	Number of Respondents	Percentage
Yes	35	58.33%
No	25	41.67%
Total	60	100%



Analysis and Interpretation: A significant number of respondents reported an increase in purchase frequency due to digital payments. This suggests that seamless transactions encourage more frequent spending.

Table 7: Digital Payments Impulsive Buying Survey

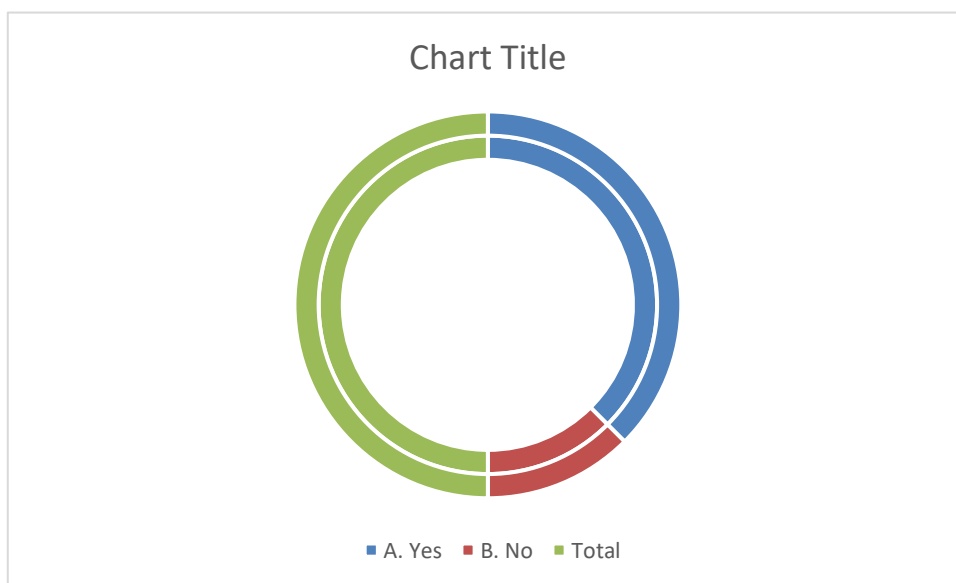
Particulars	Number of Respondents	Percentage
Yes	30	50%
No	30	50%
Total	60	100%



Analysis and Interpretation: The responses are equally divided, indicating that while digital payments facilitate easy purchases, not everyone succumbs to impulsive buying behavior.

Table 8: Digital Payments Convenience

Particulars	Number of Respondents	Percentage
Yes	45	75%
No	15	25%
Total	60	100%

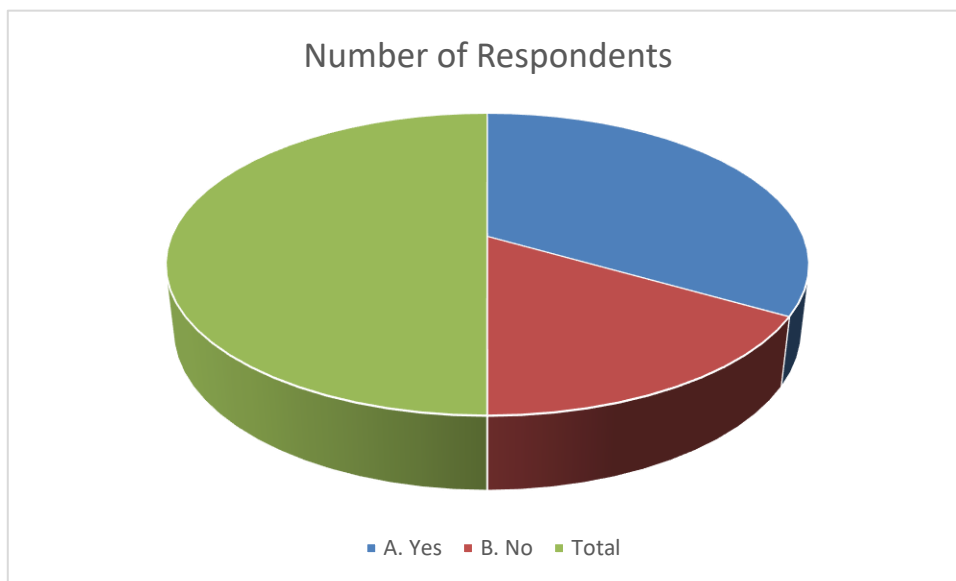




Analysis and Interpretation: A large majority of respondents find digital payments convenient. This reflects the efficiency and time-saving nature of these platforms.

Table 9: Digital Payment Security Survey

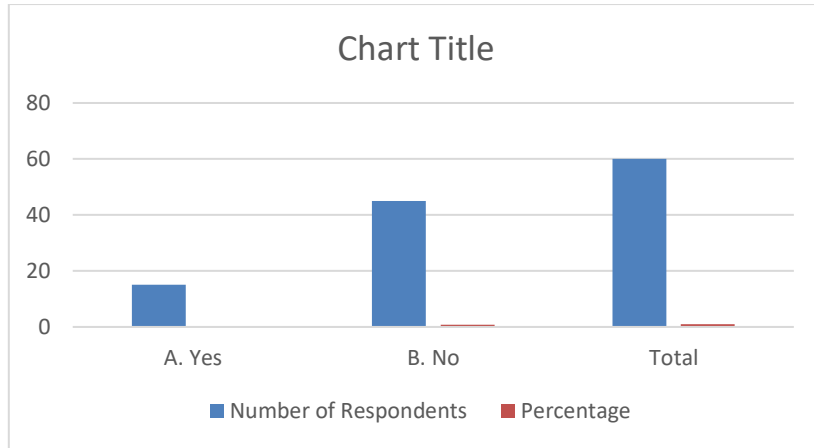
Particulars	Number of Respondents	Percentage
Yes	40	66.67%
No	20	33.33%
Total	60	100%



Analysis and Interpretation: The majority of respondents feel secure while using digital payment platforms, indicating confidence in the security measures implemented by service providers.

Table 10: Financial Fraud Experience

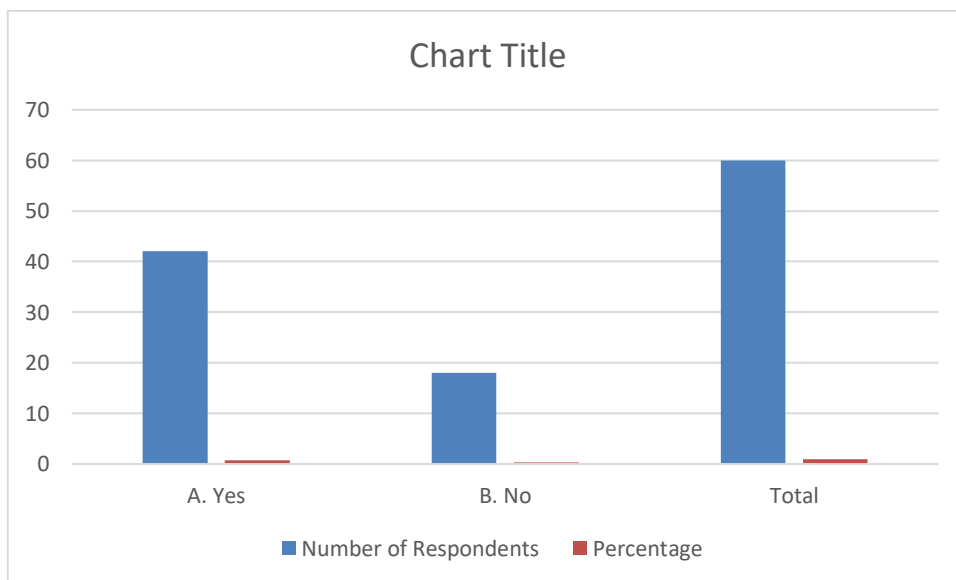
Particulars	Number of Respondents	Percentage
Yes	15	25%
No	45	75%
Total	60	100%



Analysis and Interpretation: While most of them have not experienced through financial fraud, a notable minority has faced such incidents, highlighting the need for continuous security enhancements.

Table 11: Digital Payments Spending Tracking

Particulars	Number of Respondents	Percentage
Yes	42	70%
No	18	30%
Total	60	100%

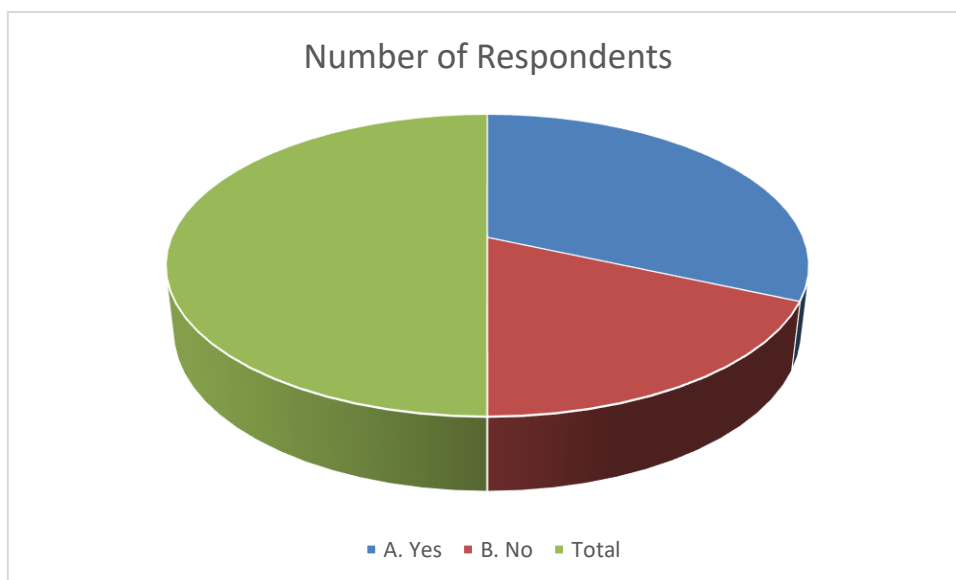




Analysis and Interpretation: Many respondents believe that digital payments help them monitor their expenses more effectively. This feature offers users better visibility and control over their financial habits.

Table 12: Impact of Digital Payments on Budgeting

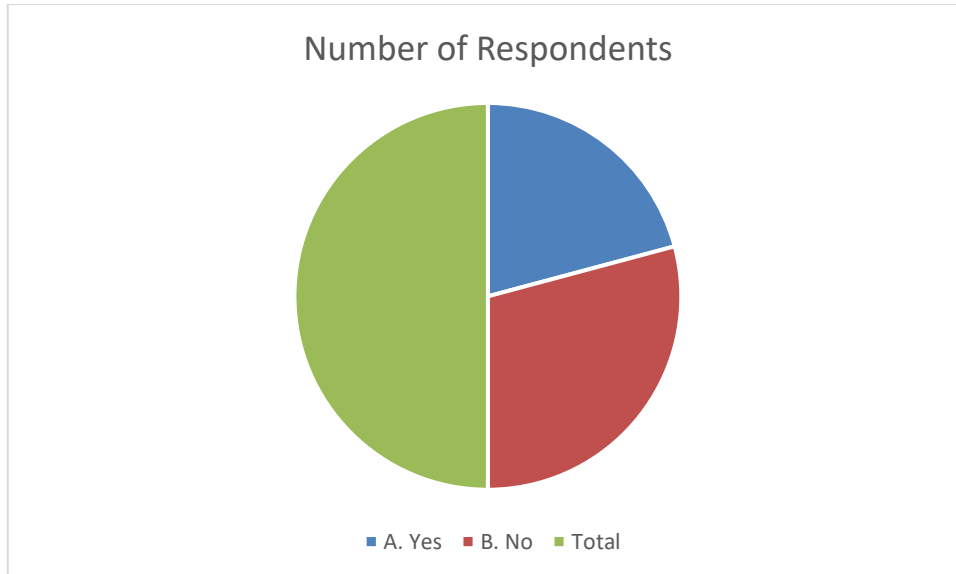
Particulars	Number of Respondents	Percentage
Yes	38	63.33%
No	22	36.67%
Total	60	100%



Analysis and Interpretation: A significant portion of respondents noted an improvement in their budgeting skills due to digital payments. The ability to track transactions in real-time supports better financial planning.

Table 13: Perception of Financial Risks in Digital Payments

Particulars	Number of Respondents	Percentage
Yes	25	41.67%
No	35	58.33%
Total	60	100%



Analysis and Interpretation: Opinions are divided on financial risks associated with digital payments. While some think they offer protection, others think through that they may have certain weaknesses.

Findings

1. A large number of the respondents reported using digital payments often, with daily and weekly usage.
2. Everywhere people prefer to use UPI more than credit cards and mobile wallets as their mode of payment which they mostly prefer.
3. Consumption purposes dominate as the reason customers make use of digital payments to make their payments; purchases, and bill payments are the common reason for using the digital payment methods; entertainment and travel ranks successively.
4. Mobile commerce has been revealed to have contributed to increased purchase frequency therefore encouraging spending more frequently.
5. As for the impulsive buying behaviour there is 50/50 to say that they do not take part in this type of buying even that it is much easier to do so now.
6. A vast majority pointed out convenience as the reason why they use digital payments since, as most respondents established, digital payments are time-saving.
7. The results have also revealed that on an average the respondents feel assured when they are using the digital payment platforms indicating that they trust the security that the digital platforms are employing.
8. But the result obtained indicated that few had first hand experience of financial fraud despite the fact that larger number of been had never come across such cases.



9. Many respondents find digital payments effective for monitoring and controlling their expenses.
10. Digital payments have helped improve respondents' budgeting skills, thanks to real-time transaction tracking.
11. Opinions are divided on the financial risks of digital payments, with some seeing them as secure while others remain cautious

Suggestions

1. Encourage educational initiatives to highlight the benefits of digital payment systems for better financial management, such as budgeting tools and real-time transaction tracking, to promote more mindful purchasing behaviour among youngsters.
2. Conduct awareness through advocacy to inform the public concerning ill-effects of impulse buying and excessive spending.
3. The behaviours can be managed through setting of spending limits or including features that notify the users concerning their spending.
4. Improve security on online payment sectors like applying more factors identification and setting up more identifying instruments and fraud control solutions and increasing the awareness of security measures used.
5. Introducing users to information concerning how to detect fake and deceptive Internet sites could also help to establish credibility.
6. Bring the financial creativity within the payment application with the effective financial habits like a budgeting aspect or an alert for preferred budget targets.
7. If payment applications and financial literacy programs were partners, young people would be informed on how to sustainably and safely manage their money.

Conclusion

Digital payment systems have a profound influence on the purchasing behaviour and financial management of youngsters, offering significant advantages such as increased convenience and better financial tracking. However, the rise of systems has also led to negative consequences like impulsive buying and overspending, which can harm their financial stability. Security concerns and trust issues remain key factors influencing youngsters' perceptions of digital payment platforms, making it essential for service providers to prioritize user safety and transparency. To ensure responsible and secure usage, it is crucial to implement strategies such as educational campaigns, security enhancements, and tools that encourage mindful spending. By addressing these challenges, digital payment systems can be harnessed effectively to support young consumers in managing their finances responsibly while minimizing risks.



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