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A Study on Digital Payment Apps Affecting the Spending Habits Among Youngsters in Andheri

Simran Huseni Barodawala

Tolani College of Commerce

Abstract:
India has moving towards digitalisation. The digitization has a proven impact on economy and society by reducing unemployment, improving quality of life, and boosting access to knowledge and other public services. Digital payment apps have made the process of payment much more convenient. It is simple and easy to understand. Some of the digital payment apps are Google Pay, Phone Pay, Paytm, Amazon Pay, etc. Many youngsters use digital payment apps as they're time saving and cashless. As these apps became popular, the spending habits of people also started being affected. Therefore, this research paper studies the spending habits of youngsters while using digital payment apps.

INTRODUCTION

1.1 HISTORY OF CASH PAYMENT:

In one form or another, money has been in human history for at least the last 5,000 years. Historians largely concur that trading was probably in existence prior to that period. A direct exchange of products and services is known as bartering.

For instance, a shoemaker would offer a farmer a pair of shoes in exchange for a bushel of wheat. These setups do require time, though. If one party agrees to trade an axe for the other's ability to slay a woolly mammoth, you will need to find a trader who is willing to accept the tool in exchange for facing down a mammoth's 12-foot tusks. You would have to change the parameters of the agreement until someone agreed to them if this didn't work.

Over the ages, a kind of currency involving easily exchanged goods like salt, weapons, and animal skins gradually came into existence. The means of exchange was these exchanged things, despite the fact that the worth of each of these was still debatable in a lot of situations. This trading system expanded over the world and is still in use in various regions of the world today.

In the meantime, the creation of metal money took place in the west during this period, in 600 BCE, when King Alyattes of Lydia minted the Lydian stater, which is thought to be the first official currency. The coins were stamped with images that served as denominations and were made of electrum, a naturally occurring combination of silver and gold. Lydia became one of the richest empires in Asia Minor as a result of the currency's assistance in expanding the nation's internal and external commercial networks.

Actually, the governments of the European colonies in North America were the ones who initially printed paper money. Colonies in North America frequently ran short of money due to the lengthy shipping times between Europe and the colonies. Rather than returning to a barter system, the colonial governments printed IOUs that could be exchanged for real money. The first recorded case occurred in 1685 in Canada, a French territory, when soldiers were given playing cards signed by the governor to replace French coins as currency.

A brand-new method of payment that may be used with just a fingertip click emerged in the twenty-first century. Money used to pay for products and services is referred to as mobile payments. You can also use them to send money to someone else, such a friend or relative. A portable electronic device, such a smartphone or tablet, can be used for all of these.

This method of payment gained popularity in Asia and Europe before spreading to North America. Checks can now be deposited using a smartphone app that takes pictures, thanks to technological advancements that started with text message payments.

1.2 CASH PAYMENT:

1.2.1 Meaning of cash payment-

Cash, in its tangible form, is also referred to as money. In a business context, cash typically consists of marketable securities like government bonds and banker's acceptances as well as bank accounts.

While the phrase "cash" usually refers to money that is physically in one's possession, it can also refer to funds in bank accounts, checks, or any other easily accessible currency that can be swiftly converted into physical cash.

1.2.2 Advantages of cash payment-

No interest charges:

There are no additional charges when you pay with cash. You will probably be charged interest, which is a monthly percentage that is applied to the amount you borrow from a creditor, if you don't pay off a credit card transaction within 30 days. You can save money by paying with cash to avoid incurring interest.

Makes it easier to follow a budget:

Having cash on hand might make budgeting easier. If you decide to set aside a certain amount of money each week, it could be simpler to stick to your budget if you take that money out in cash and use it only for payments.

1.2.3 Disadvantages of cash payment-

Less Secure:

Compared to credit cards, cash is less secure. In contrast to credit cards, there is no way to get your money back if you misplace or have actual currency stolen.

Less Convenient:

Cash payments aren't accepted everywhere. Conveniences that cash just cannot provide are things like internet shopping, hotel, and auto rental reservations, as well as credit card purchases.

Certain expenses might not be covered by your monetary savings:

You might not have enough money to pay for unforeseen expenses. Just as life is unexpected, so too are some bills. The money in your wallet might not be enough to cover the co-pay if something unexpected happens, like an unplanned trip to the doctor's office.

1.3 HISTORY OF DIGTIAL PAYMENT:

1.3.1 History of digital payment in the world

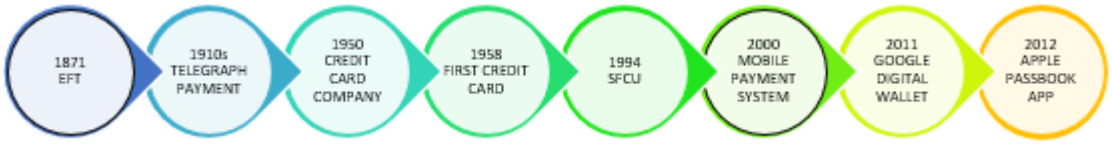


Fig. 1.1 History Of Digitall Payment Iin The World

The fast-paced society of today has little time for relaxation. Their main priorities are to work, get paid, and lead fulfilling lives. It took a long time to charge the phones, pay taxes, power rates, and shop, among other things. Convenience is just one of the numerous reasons why technology is advancing. The banking industry is becoming more efficient and convenient with the introduction of digital payment apps. The concept of accepting and making payments has evolved with the rise of digital payments. The digital payment ecosystem is an essential component of modern life due to its seamless and convenient experience. Among the group of enterprises that have contributed to the simplification of point-of-sale transactions is the digital payment solution providers, which includes banks, fintech firms, tech behemoths, and e-commerce platforms.

When Wester Union introduced the electronic money transfer (EFT) in 1871, that is when electronic payments first emerged. And then, the idea of transferring money to pay for goods and services without physically being there at the point of sale has captivated consumers. The impending changes in payments are primarily due to this technology. The Federal Reserve of America started sending money via the telegraph in the 1910s. The Diner's Club founded the first independent credit card company in 1950. Shortly after, in 1958, Bank of America debuted the first bank credit card of the contemporary era. The Automated Clearing House (ACH) was created in 1972 to batch process massive numbers of transactions as people's reliance on computers for purchasing grew.

The U.S. Advanced scientific Projects Agency Network (ARPANET) was not utilized for academic or scientific purposes until 1969. Online payment methods were made possible by this computer network, which also served as the basis for the internet. In 1994, the Stanford Federal Credit Union is credited as being the first financial organization to provide its clients with an online payment method for banking services. User-friendliness was definitely lacking in these early internet payment operations. Users had to be familiar with data transfer protocols and certain encryption techniques.

E-commerce websites were made possible by the development of the World Wide Web and the ultimate creation of Web 2.0. Along with many other websites, Amazon was one of the first e-commerce pioneers, having been created in 1994. Since then, e-commerce payment systems have advanced significantly, enabling retailers to take payments using wireless communications across payment networks using digital wallets and credit/debit cards. Making online payments for items required specialized hardware and software in the early days of electronic payments. For added convenience, digital payment solution providers are now integrating payment switches and bulk payment solutions into e-commerce. Large and small retailers as well as consumers can accept and process payments through mobile apps, websites, and more scalable point-of-sale hardware.

In 2000, the first patent was submitted that specified the mobile payment system specifically. One of the first companies to let users pay with their email addresses on mobile apps was PayPal. Mobile payment solutions have now been adopted by numerous financial institutions, credit card firms, internet providers, mobile network operators, and global corporations. Customers can enter their credit card information to make purchases using an integrated credit card flow in a basic mobile online payment system. The cutting-edge and contemporary bill payment options don't need pre-registration on an internet payment platform or card information. Cloud-based mobile wallets, contactless near-field communication, one-time passwords, two-factor authentication, and QR codes can all be used to make these quick, easy, and safe payments.

Even though they were considerably different from e-wallets of today, by 2003, some 95 million mobile phone users had made purchases using a mobile device. Mobile devices quickly took the lead as the main

way to make hotel reservations, order food, and purchase tickets for movies and travel. In 2011, Google became the first tech company to introduce a digital wallet that would let users make payments, accrue loyalty points, and use coupons. It became incredibly popular even though at first it was limited to one phone model and accepted by only a few shops. Apple released the Passbook app in 2012, which could be used for boarding passes, tickets, and coupons, two years prior to the release of Apple Pay. In 2023, digital payment solution companies have been instrumental in creating the super applications that would likely rule the world in the future years. Super apps are the upgraded form of e-wallets, complete, self-contained platforms for communication and trade.

Using Radio Frequency Identification (RFID) technology or Near Field Communication (NFC), contactless payment is a frictionless way for customers to make purchases using credit, debit, smart cards, apps, or any other payment interface. This technique involves tapping a card or other device up to a point-of-sale terminal that has payment technology installed. Korea's transit authority provided one of the earliest contactless payment systems in history in Seoul. This system, which eventually became known as UPass, provided passengers with a quick and simple option to use their prepaid cards to pay for bus travels. Since e-wallets are predicted to be utilized by more than half of the global population by 2025, they continue to be the most popular contactless payment option.

1.3.2 History of digital payment in India-

Fig. 1.2 HISTORY OF DIGITAL PAYMENT IIN INDIA

You can pinpoint the exact start of India's digital payment system in the middle of the 1990s and the beginning of the 2000s. In India, the internet began to gain enormous popularity in the 1990s. One of the earliest internet service providers, VSNL Limited, offered 9.6 kilobits per second internet connections. After that, people started selling goods online. Put alternatively, the e-commerce sector emerged, albeit in its early phases. However, the demand for an online payment system emerged as a result of online sales.

On the verge of the new decade, in 2000, BillDesk was established. It was the nation's first payment aggregator, and it simplified digital payments for online shoppers. The National Electronic Funds Transfer (NEFT) system was introduced in 2005, making digital operations like as fund transfers easier. In the 2000s, debit card uses also experienced a sharp increase in popularity, making digital payments both in-person and online simpler. There was a noticeable increase in the variety of options offered by India's digital payment systems.

In 2008–2009, the National Payments Corporation of India (NPCI) was founded. Over the past ten years, this umbrella group has spearheaded numerous innovations in the field of retail payment systems in India. And by the year 2010, we had a number of online payment options, including debit and credit cards, NEFT, Real Time Gross Settlement (RTGS), Electronic Clearing Service (ECS), and Magnetic ink character recognition (MICR) clearing channels. To improve India's payment system, the NPCI introduced a number of additional digital payment choices in the years that followed.

In 2012, RuPay card scheme was developed by the National Payments Corporation of India (NPCI). One of the NPCI's flagship products is RuPay. It is a widely used international card payment network that is

accepted at many different nodes, including POS terminals, ATMs, and e-commerce sites. RuPay cards are currently issued by more than 1,000 banks in India and come in a variety of card types, including government, prepaid, debit, and credit. This ground-breaking technology was crucial to the adoption of digital solutions in India's tier 2 and tier 3 cities.

In 2013, Bharat Bill Pay System was founded by NPCI. For all of your recurring payments, there's only one place to go: the Bharat Bill Payment System (BBPS). You can use the BBPS method to pay your online bills for energy, gas, DTH, insurance, phone, water, and even your FASTag dues. In the system, there are more than 200 billers in different categories.

In India, a retail payment and settlement system is run by the National Payments Corporation of India (NPCI). With participating banks, it tested UPI in 2016 in an effort to encourage simple transactions. Following its launch, 21 member banks began to submit their UPI-capable apps to the Google Play Store in an effort to promote online transactions. The primary driver of the significant increase in UPI transfers is their broad population base's benefit from easy operating. Furthermore, it expedited worldwide advancements in payment technology by eliminating middlemen and fostering increased competition. A digital payment mechanism called UPI facilitates quick interbank transfers. This technology makes it possible to combine several bank accounts into a single application. This digital platform assists in combining several financial functions into one package. With just a few taps on your smartphone, you can now transfer money or pay for bills while relaxing in the comforts of your own home thanks to UPI payment.

In addition, the COVID-19 pandemic has increased the need for contactless payment implementation.

Retail customers now find it simpler to make contactless payments for their purchases thanks to the integration of NFC technology into POS terminals. However, the demand for more reliable contactless solutions in light of the lockdowns implemented over the previous several years has increased the use of Unified Payments Interface (UPI).

1.4 Digital Payment:

1.4.1 Meaning of digital payment-

Online payments are the general term for payments done using the internet. These payments are made both online and offline when making purchases or using any services. Online payments can be made on a one-time basis (such as when making an Amazon purchase) or on an ongoing basis (such as when making a Netflix subscription). Typical online payment options include the following:-

- Bank wire transfers.
- Electronic wallets such as PayPal and Google Pay.
- Credit and debit cards via the internet.
- Codes QR/UPI.

1.4.2 Methods of digital payment-

Banking Cards:

Indians frequently utilize prepaid cards, debit/credit cards, or banking cards in place of cash payments. In 1981, Andhra Bank introduced the first credit card in India.

There are several reasons why cards are better, some of which include mobility, ease, security, and safety. This is the only digital payment method that is widely used for both in-person and online transactions. These days, a lot of apps—like Cred, Square, and others—are released with the express intent of handling credit card transactions.

Unstructured Supplementary Service Data (USSD):

For the benefit of the people in India who lack access to adequate banking and internet services, USSD was introduced. With USSD, all you need to do is call *99# on any necessary feature phone to conduct mobile banking transactions without an internet connection.

Customers can use this number to access a variety of services from all Telecom Service Providers (TSPs), such as mini statements, balance inquiries, and fund transfers between bank accounts. Approximately fifty-one of the top banks provide USSD service in twelve languages, including Hindi and English.

Aadhaar Enabled Payment System (AEPS):

AEPS is a bank-led digital payment methodology that was introduced to take advantage of Aadhar's reach and presence. Customers can transfer money between two Aadhaar-linked bank accounts using this technology by using their Aadhaar-linked accounts. According to NPCI figures, as of February 2020, AEPS had exceeded 205 million.

Utilizing debit or credit cards, signing documents, going to a bank, or any other type of physical interaction is not necessary while utilizing AEPS. This bank-led concept uses Aadhaar verification to enable digital payments at PoS (Point of Sale / Micro ATM) through a Business Correspondent, also called Bank Mitra. At BC Points, the AePS costs for cash withdrawal amount to around Rs. 15.

Unified Payments Interface (UPI):

A payment system called UPI combines many bank accounts into a single application, making it simple to transfer money between any two parties. In contrast to RTGS, IMPS, and NEFT, UPI is far more standardized and well-defined among banks. With only a few clicks, you may utilize UPI to start a bank transfer from any location.

The advantage of using UPI is that it eliminates the need for you to provide your bank account information or credit card information when making payments. More than 2 billion transactions were made using this technique in October of 2020, making it one of the most widely used digital payment methods.

Mobile Wallets:

As the name implies, mobile wallets are a kind of wallet that allows you to carry cash in a digital format. Customers frequently connect their banking cards or bank accounts to the wallet in order to enable safe online transactions. Adding funds to a mobile wallet and transferring money using that balance is another method of using a wallet.

Many banks have introduced their wallets in recent years. Notable private businesses have also made an impression on the mobile wallet market. Axis Bank Lime, ICICI Pockets, Vodafone M-Pesa, SBI Buddy, Freecharge, Mobikwik, mRupee, Airtel Money, Jio Money, and others are a few of the most utilized ones.

Prepaid Cards from Banks:

Pre-loaded debit cards that are issued by banks and are often single-use or reloadable are known as bank prepaid cards. It is not the same as a regular debit card, which is always connected to your bank account and has multiple uses. A prepaid bank card may or may not be covered by this.

Any customer with an account that complies with KYC requirements can create a prepaid card by simply going to the bank's website. These cards are mostly used as corporate gifts, reward cards, or single-use cards for gifting.

PoS Terminals:

The place or section where a sale occurs is referred to as the PoS (Point of Sale). PoS terminals were long thought to be the checkout counters in shopping centers and malls where money was paid. With a PoS

machine for debit or credit cards, users can pay by just swiping their card and inputting their PIN. These are the most popular types of PoS machines.

As a result of digitization and the growing acceptance of alternative online payment options, new proof-of-sale techniques have emerged. The first is a PoS machine's contactless reader, which may debit any amount up to Rs. 2000 by automatically verifying it and negating the need for a card PIN.

Internet Banking:

Online banking, sometimes referred to as e-banking or internet banking, enables a bank's clients to perform transactions and carry out additional financial operations through the bank's website. To access a bank's website and make or receive payments, e-banking, also known as Internet Banking, needs a consistent internet connection.

The majority of Indian banks have started offering online banking services as of late. It is now among the most widely used methods for making purchases online. In India, there is a virtual banking option available for every payment channel. Among the most popular methods for doing transactions through online banking are NEFT, RTGS, and IMPS.

Mobile Banking:

The practice of carrying out transactions and other banking operations via mobile devices—usually through a bank's mobile app—is referred to as mobile banking. Nowadays, the majority of banks offer mobile banking apps that can be accessed on PCs and portable devices like tablets and phones.

Because of its simplicity, speed, and ease of use, mobile banking is regarded as the way of the future for banking. Mobile banking apps provide a unified platform for digital payment methods including IMPS, NEFT, RTGS, IMPS, investments, bank statements, bill payments, etc. Since becoming digital simplifies procedures for them as well, banks actively encourage their clients to do the same.

Micro ATMs:

Business Correspondents (BC) use micro-ATMs to provide consumers with basic banking services. These Correspondents will act as a "micro-ATM" for quick transactions; they might even be the owners of nearby stores. They'll utilize a device that just requires your fingerprint authentication to transfer money from your bank account linked to your Aadhaar.

Business Correspondents will essentially act as the clients' banks. Customers must use their UID (Aadhaar) to confirm their identity. Micro ATMs will facilitate the following crucial services: balance inquiries, deposits, withdrawals, and money transfers. The only prerequisite for using a micro-ATM is to have an Aadhaar-linked bank account.

1.4.3 Advantages of digital payment-

Speed of transactions:

Online payments save a great deal of time for both the seller and the buyer. Individuals no longer need to sit in lines, write cheques by hand, or wait for paper cash. They can get the money immediately; they are not need to wait for banks to process their checks.

Since sellers don't have to waste time printing and mailing bills, it saves them a ton of time. Late payments are also less likely when payments are made online. People won't put it off or forget it because completing a transaction only takes a few minutes.

Easy accessibility:

Any time of day, from anywhere in the world, anyone can pay for goods and services. Finding the right amount of cash to make your purchase is more difficult than simply clicking a feature on your smartphone.

It's not necessary for you to carry a lot of cash, worry about theft, or struggle to find exact change. When using an online payment method, all you have to do is remember a pin number to complete the transaction! As simple as that.

Reaching a worldwide viewership:

Having an international client base and the ability for firms to operate worldwide are two of the main benefits of having online payment gateways. Over 56% of internet buyers say they prefer to shop internationally. Because you will be serving a global customer base, adding online payment alternatives to your e-commerce site will surely enhance sales.

Minimal transaction expenses:

Businesses that use a standard payment arrangement must employ cashiers or front desk staff to handle sales and payments. On the other hand, transactions involving internet payments happen in an automated setting. Merchants can reduce transaction expenses and setup costs by setting up online payment gateways.

Simple and quick setup:

You may easily and quickly integrate online payment gateways for your business, saving time and money compared to setting up a complex payment process that requires additional workers and specialized equipment. However, you can assess the various possibilities available to select the best one before selecting the services of a specific vendor.

Numerous options for payment:

You may provide a wide range of payment alternatives to your consumers using online payment tools. Individuals have different tastes, so if they can find that option while making a purchase from you, there's a greater likelihood that they'll complete the deal.

Availability of more distribution channels:

Possessing online payment choices as a corporation can greatly enhance your distribution channels. You can join the affiliate domain and expand your sales by having your goods or services featured on other websites if you're prepared to take online payments. It is an excellent strategy to boost sales.

Easy management:

It is simpler to manage and store your money and other financial data when you pay online. There are numerous tools on the internet that can assist with transactions for both customers and sellers. Let the tools handle the money management; you don't need to. Since you don't need to carry cash or credit cards, it just becomes simpler.

Enhanced client satisfaction:

A pleasant customer experience is inevitably translated into savings in terms of money and time for customers who find it convenient to make purchases from you. Additionally, the client experience is the most important factor to a firm. Given that many consumers these days prefer online payments over cash or credit card transactions, implementing online payment options for your business is a terrific method to achieve it.

Possibility of recurring payments:

Subscription marketplaces now function more easily thanks to online payments. In the past, payments were made on a regular basis with cash or credit cards. People no longer need to physically remember to pay or make the effort to travel to the business's physical location because payments are now automated. Due to this, it is now simpler for both the merchant and the client to accept and receive payments.

1.4.4 Disadvantages of digital payment-

Technical issues:

Like any other software that depends on technology, online payments are prone to malfunctions or downtime. Even though tech maintenance procedures are typically scheduled for the night and are announced beforehand, online buyers may occasionally become irritated by them. Many organizations see high bounce rates, particularly when it happens suddenly.

Threats to passwords:

If you frequently utilize online payments as a registered user on a website, there's a good probability that the online portal has access to your bank account information or personal data. Password protection is necessary in these circumstances even when OTPs (one-time passwords) are used for the majority of transactions. If you engage with multiple banks, in particular, you may be at danger of having your privacy violated.

Cost of fraud:

Cybercriminals are growing in number, just as more and more individuals are choosing online payments over more conventional ones. Phishing scams, database exploits, and identity theft are all on the rise. Businesses install a lot of payment-security software and ultimately expend a lot of costs in order to prevent these and boost security.

Security Issues:

As was mentioned in the previous point, there are numerous security hazards while making payments online. Important financial data and information can be readily hacked by fraudsters in the absence of adequate security measures. Additionally, since there are no verification measures in place like biometrics or facial recognition, thieves can easily evade capture.

Lack of technological literacy:

The fact that many people, especially those in the older generation, lack basic technology literacy is one of the biggest drawbacks of accepting payments online. They avoid using online payment options since they lack the necessary skills on how to use technology or smartphones. Many of them stick to conventional payment methods out of concern of the intricacies involved. This is a major disadvantage for emerging nations like India.

Limitations on amount and time:

Certain banks have daily limits on the quantity of transactions or the maximum amount that can be transferred. The majority of online transactions, such as accepting and receiving OTPs, also have a deadline that must be met. For some people, all these restrictions may prove to be really annoying.

Service charges and other extra expenses:

Certain firms may charge setup fees or even processing fees for clients utilizing their online payment gateways. It goes without saying that internet access and other related services are necessary in order to set up online payment options. This can quickly result in additional expenses, and it can be exhausting for both sellers and buyers.

Disputed deals:

You can report someone utilizing your electronic funds, either to your bank or to the internet payment processor. However, you are not eligible to make a complaint or get a refund if you are unable to locate the person's personal information or, for that matter, any information on them. This is when it becomes tricky.

Smart card loss:
The majority of internet payments are made using identity cards, ATM cards, or credit/debit cards. Therefore, your online payment accounts that are connected to your cards would also be at risk if you lose any of these. Of course, you may restrict your cards after notifying the bank, but there's a chance that numerous fraudulent transactions could occur in the interim between losing your card and stopping it.
Fraudulent identity:
In contrast to in-person transactions, it is impossible to verify if the individual making an online payment is who they say they are. Since there are no means of verification such as signatures or photos, the majority of online payments are made anonymously. This has the potential to significantly increase identity theft and forgeries.

1.4.5 Process of digital payment-

While making a digital payment may seem to only need a few clicks, the ecosystem of digital payments includes a number of intermediaries that smoothly coordinate to make a successful transaction possible.
The merchant (payee), the customer (payer), the bank, and the payment network are the parties that are engaged in the end-to-end processing of a digital payment transaction. In this context, "merchant" refers to neighborhood Kirana stores, retail establishments, shopping centers, e-commerce portals, and service providers that offer the ability to transact or settle bills utilizing electronic funds transfers.
The issuer bank is the bank that deducts money from the payer. The bank that credits the amount on the receipt is the acquirer bank, often known as the payee's bank. As a result, both sides have to maintain a bank account and an online banking method to transact digitally.
For an instance, Anjali Singh spends INR 5,500 on clothing from Rupesh Garments, a store on bustling Kalbadevi Road in Bombay. She can choose to pay with UPI for any app (QR Code) in the store or use her debit card to make the digital payment for this amount at the Point of Sale (PoS) machine.
There are a few processes involved in making the payment when the shopkeeper swipes the card on the PoS machine. Since Anjali's debit card is being used to make the payment, the PoS provider verifies that there is enough money in her bank account. Only once Anjali inputs the transaction PIN will the digital payment be executed and the funds would be taken out of her account, provided there is a sufficient balance and was credited to Rupesh Garments' business account. If a credit card is being used for digital payments, the payer's card issuer must confirm the credit limit before the transaction may proceed.
When Anjali purchases something through an eCommerce portal, the eCommerce player sends a payment request to the payment gateway it has partnered with in order to process the digital payment. The payment gateway then requests authorization from Anjali using an OTP or PIN, receives the money from her bank, and deposits it into the bank account that the e-commerce platform holds. The gateway must first verify that Anjali has enough money in her bank account before allowing her to proceed with authentication or rejecting her request if she enters erroneous payment information or has an inadequate amount.

1.5 Cash Payment v/s Digital Payment:

Aspect	Cash Payment	Digital Payment
Definition	Physical currency (coins, banknotes)	Electronic transfer of funds
	Physical exchange of money	Electronic transfer via internet or devices

Aspect	Cash Payment	Digital Payment
Medium		
Tangibility	Tangible	Intangible
Security	Prone to theft, loss, and counterfeit	Secure with encryption and authentication
Convenience	Limited by availability of physical cash	Convenient, can be done anytime, anywhere
Transaction Speed	Slower, especially for large amounts	Faster, almost instantaneous
Traceability	Difficult to trace	Easily traceable with digital records
Privacy	Offers anonymity	May require personal information
Acceptance	Widely accepted	Dependent on availability of digital infrastructure
Costs	No transaction fees	May incur transaction fees or charges
Accessibility	Requires physical presence	Can be accessed through various devices
Risk of Fraud	Lower risk of cyber fraud	Higher risk of cyber fraud
Environmental Impact	May contribute to deforestation and pollution	Generally, more eco-friendly

1.6 Digital Payment Applications:

1.6.1 Meaning of digital payment applications-

Digital payment services are those that facilitate transactions online or through digital platforms without requiring a physical money exchange. This indicates that both the payer and the payee exchange money using electronic means.

1.6.2 Features of digital payment applications-

Simple Navigation and User Interface:

The user interface of the app needs to be simple to use and intuitive. Consumers ought to be able to navigate options and complete transactions quickly, easily, and without difficulty or confusion.

- Simple, logical menus and tabs for effortless navigating.
- Uniform and recognizable buttons and icons.

- Streamlined transaction processes with progress monitors or stoppers.
- Intelligent keyboard shortcuts and autofill to expedite data entry.
- Eye-soothing, clear, uncluttered screens with large white spaces.

Secure payments:

When making digital payments, clients' first concern is security. The transmission of sensitive financial information over the internet carries a significant risk of fraud, hacking, and data theft. Customers must have faith that the security of their transactions and the protection of their money and personal information are paramount. Therefore, strong security features like these should be implemented by the best digital payment software.

- Digital payment transactions using multi-factor authentication.
- To stay informed, receive real-time notifications and automated fraud monitoring.
- Biometric and passcode technologies for digital payments to provide access and logins.
- Encrypting all financial data to prevent unwanted individuals from accessing payment details.

Various Methods of Payment:

Customers can conduct purchases using a wide range of payment options, such as digital wallet apps, bank transfers, credit and debit cards, and more. Giving clients a variety of payment choices gives them ease and flexibility, letting them select the one that best fits their requirements.

- Preserved cards.
- Bank wire transfers.
- Credit/debit cards.
- Apps for digital wallets.
- Payments with QR Codes.
- NFC Transactions.
- Virtual Cards for USSD.
- Options like "buy now, pay later" and more.

Quick and Effective Transactions:

The best digital payment app must be fast and dependable in order to achieve customer excellence. This is due to the fact that clients want payments to be made as soon as feasible and seamlessly as possible, and they don't want to deal with issues like frequent errors, sluggish loading times, or other similar roadblocks.

- Templates that are saved for future purchases.
- Quick transaction status updates.
- Easy checkouts with autofill and stored information.
- Few steps and speedy biometric or PIN authentications.
- Enhanced app efficiency and reduced loading times.

User Administration:

It's really useful that the digital payment app makes account management simple for consumers. Customers can monitor transactions, manage their accounts, and protect the security of their financial information with the use of user management capabilities.

- Notification preferences.
- History of transactions and statements.
- Options for social sharing or referral codes.
- Making wish lists or preserving favorite products.

- Resetting passwords and managing security settings.
- Saved profiles containing personal, payment, and shipping information.
- To guarantee the protection of financial information, adjust account settings.

Connectivity to Other Applications:

Customers can utilize their favorite digital payment app in tandem with other apps they frequently use, such budgeting tools and e-commerce platforms, by integrating it with other apps they use. This adds a ton of value to the user experience.

Customers may handle their financial information more easily and the payment process can go more smoothly with integration.

- Electronic wallets.
- Apps for loyalty and rewards.
- Social media networks.
- Apps for online shopping.
- Finance and billing apps for mobile devices.
- Apps for meal delivery and ride-sharing.

Automated Savings:

Features that assist users in managing and saving money can set apart the top digital payment apps. It enables users to automatically set aside a certain amount of money from their earnings or outlays.

As more people look to reach their financial objectives and enhance their financial wellbeing, this feature has grown in popularity in recent years.

- Integration of digital coupons.
- Splitting bills and bill reminders.
- Expenditure monitors that operate automatically.
- Cashback incentives and benefits.
- Savings on transactions that are rounded up.
- Piggy banks and goal-based savings schemes.

Customer Support:

Concerns and questions will arise from users of the digital payment app. It needs a top-notch customer service system to quickly address problems. Gaining the help customers want when they need it will increase customer satisfaction and foster a culture of trust.

- Proactive resolution of complaints.
- Outlets of support via social media.
- Comprehensive FAQs and self-help manuals.
- 365-day voice, video, and live chat assistance.
- Help in context when utilizing the app's functionalities.
- Email responses and ticket management are quick.

Reporting and Analytics:

Customers greatly benefit from detailed analytics and reporting on transactions and spending patterns. These features give clients access to important data regarding their spending patterns and financial transactions.

- Expense trackers and budgeting instruments.
- Analytics visualization through graphs and charts.

- Spending totals broken down by merchants and categories.
- Transaction filtering based on location, quantity, time, etc.
- Downloads of customized reports and statements in various formats.

Customizable Features:

No two clients are the same. Permission for personalization and customization delights users and caters to their unique preferences. Customers can select the layout, settings, and preferences that best suit them thanks to customizable features.

- Language settings.
- Optional biometric logins.
- Color profiles and several themes.
- Changing the settings or the order of menu items.
- Including shortcuts or concealing undesirable features.
- Unique labels and categories for each transaction.

1.6.3 Advantages of digital payment applications-

Convenience:

One of the main advantages of using mobile payments is their convenience. You can pay with a mobile device at any time and from any location. Those who are constantly on the road or who don't have quick access to conventional payment methods like cash or credit cards may find this to be really helpful. Instead of standing in line to pay with cash or a credit card, you can make a purchase at a store in a matter of seconds by using a mobile payment app.

Security:

Compared to other payment methods, mobile payments may also be more secure. This is due to the fact that mobile devices come equipped with built-in security capabilities that can aid in preventing fraud, such fingerprint or facial recognition. Additionally, a lot of mobile payment apps encrypt important financial data. This implies that there is a lower chance of financial information theft or compromise.

Speed:

Compared to other payment methods, mobile payments may also be quicker. You don't have to wait for a credit card or cheque to clear when using mobile payments. Alternatively, you can easily and swiftly make a payment. This might be especially helpful for companies that have a lot of transactions to handle rapidly.

Rewards and cashback:

Some mobile payment apps also offer rewards or cashback for using the app to make a purchase. For each transaction you make via a mobile payment app, for instance, you can receive points or cashback. This might be a really effective method to increase the value of your goods and save money.

Improved Accessibility:

Those who might have previously been shut out of traditional payment methods, like those without a bank account or credit history, now have more access thanks to mobile payments. Financial transactions can be conducted using mobile payments, negating the requirement for conventional banking infrastructure.

1.6.4 Disadvantages of digital payment applications-

Limited acceptance:

Despite growing in popularity, mobile payments are still not accepted everywhere. This implies that at some shops or establishments, you might not be able to pay with your mobile device. This may cause you

a great deal of inconvenience, particularly if you live somewhere where mobile payments are not commonly used.

Technological problems:

The potential for technological problems with mobile payments is another disadvantage. You might not be able to make a payment, for instance, if your mobile device is stolen or misplaced, or if there is a technical issue with the app you are using. This can be annoying and lead to delays in transaction completion.

Reliance on internet connection:

In order for certain mobile payment apps to function, an internet connection is necessary. You might not be able to complete a payment if you don't have internet access or if your connection is unreliable. This could be an issue if you're traveling abroad and don't have a working internet connection, or if you're in an area with bad internet connections.

Security hazards:

There are some security risks associated with mobile payments. Your financial information could be compromised, for instance, if you download a rogue software or if your mobile device is lost or stolen. It's critical to understand these risks and take precautions to safeguard your financial information, like utilizing a secure passcode on your phone and only downloading apps from reliable vendors.

Additional Fees:

Certain mobile payment apps may impose additional fees on transactions, which can mount up and render them more costly than conventional payment methods. For companies that handle a lot of transactions, this can be very troublesome.

1.6.5 Digital payment applications-

According to NPCI, there are a total of 22 third party payment apps registered. Some of the digital payment applications are listed as follows-

1. Google Pay

Users may easily conduct UPI transactions and Direct Bank Transfers with Google Pay, also referred to as "G-Pay." Paying people is as simple as scanning the QR code or entering a registered mobile number that is connected to their bank account. Its user interface is straightforward and engaging.

Important characteristics:

1. The AutoPay feature allows users to pay for their monthly OTT app subscriptions or auto-recharge.
2. UPI Lite:
3. Without the security pin, UPI lite allows small-amount transactions to be started.
4. CIBIL Score:
5. Users can quickly and conveniently check their score for free.

Convenience:

Google Pay's convenience is a major factor in why younger people favor it. The days of having to carry cash or credit cards everywhere you went are long gone. All customers need to make quick and safe payments with Google Pay is their smartphone. Google Pay simplifies payments, saving time and effort whether they are paying for groceries, splitting a bill at a restaurant, or making online purchases.

Young people are more likely to make impulsive purchases because of the convenience aspect. They may be more inclined to make impulsive purchases because they can finish transactions with a few taps on their phone, which could result in higher expenditure.

Cashback and Rewards:

To entice users to conduct transactions through the platform, Google Pay provides a range of incentives, including cashback, discounts, and rewards. These incentives are especially appealing to children since they offer value for money and instant gratification. These incentives encourage kids to use Google Pay more often, whether it's through cashback on regular purchases or access to special offers.

But sometimes, pursuing incentives might result in overspending. Instead of thinking about whether a purchase is necessary or within their budget, young people may use the cashback or benefits they will receive as an excuse for making unneeded purchases.

Budgeting and tracking:

Google Pay provides tools to make it easier for customers to keep tabs on their expenditures and better manage their spending plans. Kids can use the app to link their credit cards or bank accounts and get comprehensive spending patterns information. They have the ability to create spending plans for many categories, such entertainment, food, and travel, and track their costs in real time.

These tools for budgeting can be helpful, but they also run the risk of encouraging young people to overspend. Some users could rely too much on the tracking functions of the app, thinking that they're not going over their budget as long as they stay inside it. This kind of thinking, meanwhile, may cause you to overlook needless expenditures and eventually rack up debt.

2. MobiKwik

A new payment app called MobiKwik offers e-wallet functionality, direct bank transfers, and UPI transactions. This can be used to quickly and immediately pay for our normal invoices and reservations, much like other payment apps. Additionally, it offers the ability to transfer money across wallets by utilizing a registered phone number.

Important characteristics:

Special Investment Options:

1. XTra Flexi – offers 12% Annual Returns and allows withdrawal anytime.
2. XTra Plus – offers 13% Annual Returns but has a 3 months lock-in period.
3. ZIP EMI: Provides a credit line of Rs. 2 lakhs with a 2-year repayment period.
4. ZIP Pay Later: Provides a credit line of Rs 60,000 with 0% interest up to 15 days.

Cash Deposit: Mobikwik has tied up with ICICI bank to enable you to add money to your wallet via deposit at bank feature. You can do this by clicking on add money and then on cash deposit. The app will generate an order id and will display deposit centers near you. You can visit one of these centers, fill the order id on the bank slip and submit it along with the cash. After you are done with it, the money will automatically show up in your wallet balance.

Cash Pickup: You can also add money to your wallet in the comfort of your home. As soon as you request for cash pickup, a mobikwik official will visit you within 30 minutes. For completing the transaction, you need to share the OTP received on your registered mobile number and the updated balance will instantly show up on your wallet passbook. No additional pickup charges are applicable for this service.

3. Phone Pe

With the biggest user base in India, PhonePe functions as a comprehensive platform that facilitates UPI transactions, direct bank transfers, e-wallet services, and recently included international payments. Instant bookings and reservations made through the app directly using the PhonePe Switch option are supported.

Important characteristics:

1. UPI International: This feature enables users to transact internationally. presently accepting Bhutan,

Singapore, Nepal, United Arab Emirates, and Mauritius.

2. Credit card payments with UPI: Generally speaking, credit card payments through UPI are not supported. However, we can use Rupay Credit Cards to make payments by utilizing this capability.
3. Cashbacks on Single-Tap Subscription Payments.
4. Investment & Insurance facilities.
5. PhonePe The Smart Speaker is a voice-activated alert gadget that can recognize 11 languages, including English, and provides payment confirmation.
6. Multi-Language Interface: The app supports both English and Hindi languages as well as Marathi, Tamil, and Bengali. This makes the app more usable and friendly to operate for all the natives who speak any of those languages.

4. CRED

CRED is an app designed primarily for credit card users with high credit scores and credit histories that offers reward-based credit card payments and tracking. Additionally, it offers short-term credit lines, a kind of loan that is frequently taken out and paid back.

Important characteristics:

1. Users can take total control of their credit cards using CRED Protect. offers a thorough review of client expenditures, assists in locating unauthorized charges, and monitors credit restrictions.
2. CRED Store: An internet-based retailer offering products at exclusive rates and savings.
3. CRED RentPay: Customers may pay their rent using a credit card and receive reward points and up to 45 days of credit-free days.
4. Enables users to purchase Coins, Vouchers, and take part in Bids, where a bid is a number guessing game. Cred, with its gamified approach to credit card management. By offering rewards and incentives for timely bill payments, Cred taps into the psychological triggers that drive behavior change. Youngsters, who are often drawn to gamification and rewards, find the platform engaging and motivating. It turns a typically mundane task—paying bills—into a game where they can earn points, unlock achievements, and even compete with friends.

5.1 Youngsters:

India boasts one of the world's youngest populations. India has a greater percentage of people in working age than people in non-working age, giving it a chance to lead the globe. The potential demographic dividend presents a huge opportunity for the nation to achieve faster economic growth, provided it is handled well. In order to create national policies and organize our actions in a way that can support the creation of an atmosphere where youth are able to lead the growth of the nation, it is crucial to comprehend the dynamics of youth perception and their preferences. The most viable and promising human resource in a nation, both in terms of demographic structure and social structure, is its youth. Youth are a major force for sustainable development and key agents for social change, economic growth and technological innovation.

The National Youth Policy, 2014 defines youth as the persons in the age group of 15-29 years. India has the largest cohort of young people and is experiencing a unique phase of demographic shifts. This has given the nation a fantastic chance to turn this into a demographic dividend and see quick economic growth. In order to capitalize on the current youth spurge in the country, families, educators, legislators, and the larger community all have crucial roles to play. In the absence of the formulation of suitable

policies and programs, significant investments in youth, and pertinent measures to mold them into skilled human capital, the nation's projected economic progress may prove unattainable.

The youngsters are technology savvy and prefer to have mobile phones with them. Due to the advancement of technology in the digital payment sector, it has become far too convenient to make online cashless transactions. To go cashless has become easier. But the convenience of this process bares the bane of spending far more money than initially expected. The present research paper focuses on the consumer influence and observed challenges of these new digital payment applications. With special reference to the spending habits of youngsters while using digital payment applications.

2. REVIEW OF LITERATURE

From the numerous studies conducted, one study that was conducted for determining the use of digital payment apps among youth has given way to Pandemic crisis (COVID-19) being a huge help to easily adapt towards technological advancement especially in transacting through digital payment applications. The research paper is titled “Study on use of digital payment applications for e-commerce among youth”. The Government of India has also been promoting online payment aggressively through various measures like Demonetization and Digital India that leads to cashless transactions and exponential growth in use of digital payment systems is accomplished. This study has concluded that majority of the people have been moving towards technological advancement due to distinct reasons such as shopping accessories, electronic gadgets, recharging, booking tickets, paying utility bills, etc. (Gupta, 2021)

There is a study that was conducted on Impact of digital payment application to know the spending pattern of customer. As digital payment is the easiest way to use, it has made life simple and fast. The Mobile wallet is easy to carry also there is no form of burden to carry cash and there is no risk of losing cash, digital payment also has the data history so that you can know how much you have spent on daily or weekly basis. This study has concluded that Digital payment is a positive correlation on spending more but also very carefully. (Dixit, 2020)

The author, Prof Trilok Nath Shukla found that in the future digital payments will significantly impact consumers' purchasing experiences in their study paper titled "Mobile Wallet: Present and the Future." It will be necessary to offer cashbacks, loyalty programmes, etc. in addition to a secure and user-friendly payment mechanism if you want to draw in clients. By forming alliances with various digital payment businesses, marketers should seize this opportunity to draw in customers. (Shukla, 2016)

“Students’ perception towards digital payment system- A study with a special reference to Mangalore University" study by Karthik Kamath (2020) gives a detailed study about the role of digital payment system and perception of students towards digital payment. The study clearly illustrates the respondents' preference for digital payment methods. Comparing digital mode to cash transactions in person, the former is less common. According to the survey, cash transactions will gradually disappear as digital payments take over all market segments in the upcoming years.

S. Mishra & V. Rajora (2018) study on "Digital Payment System with special reference to Youth" is an analysis of new digital payment’s impact on youth and problems encountered by them. According to the study, consumers feel more comfortable making payments online. Youth are starting to use various digital application services more frequently. This study also clarified why there is a greater increase in the growth rate of utilization of mobile applications for online payments and why people are becoming more aware of them.

A Study conducted by Adharsh R. & Others: "Transformation towards E-Wallet Payment System Pertaining to Indian Youth" (2018), indicated that the availability of a wide range of services, the monitoring of benefits, and the adoption of E-Wallet by the supply chain from small vendors to large shops are the main reasons driving youth toward E-Wallet.

Rana & Singh (2017) carried out "Study of Consumer Perception of Digital Payment Mode" in New Delhi and discovered that a variety of demographic characteristics, with the exception of education, have no bearing on the uptake of digital payments. The Anova computation, which was used to support the study, showed that respondents did not perceive any significant differences based on age, gender, profession, or annual income. In the study, the only factor that was discovered to have significant variations was the respondents' educational attainment.

To Study the Spending and Saving Habits Among Youth W.R.T. Jalgaon District (Maharashtra), Dr. Yogesh Arvind Patil. The purpose of the study is to comprehend the spending and saving behaviors of young people in the Maharashtra State district of Jalgaon. Youth have a big impact, as evidenced by research on their sizeable population, spending power, free time, and exposure to a wealth of information via technology. The aim of this research is to examine the elements that affect young people's spending and saving behaviors, with a focus on the degree of peer influence, family and parental influence, and financial literacy.

Pillai, G. Sandhya, G. Rejikumar, and Sruthy S.(2019) They explain how the trend indicates that when the shortage of cash peaked, more consumers preferred to use non-cash payment methods, even for minor transactions. It demonstrates that while timely interactions and security proved to have a negative impact on the dependent variable, simplicity and interoperability have a considerable positive affect on the uptake of mobile payments. People are more worried about security because they think that this is because they think that when they deal online, their financial information is not safe.

According to Kaur, Puneet, et al. (2020), there has been a significant increase in the use of mobile wallet apps. Although it is helpful to consumers and efficient for transactions and secure payments, mobile wallets are still not widely available.

According to Ghosh and Gourab (2021), the development of information and communication technology paved the path for the introduction of contemporary payment systems. People's lives were made easier by the proliferation of smartphones and internet access, which also ushered in the age of digitalization. In addition to enhancing trade and commerce, digitalization facilitated quick and easy financial transactions.

In 2018, Vinitha, K., and S. Vasantha People's everyday lives have changed as a result of the digital revolution. The ability to connect and make payments at anytime, anywhere, and to achieve user happiness is made possible in large part by the power of the internet and digital payments results in devoted customers.

Pallavi, Maindola, Akash D. Dubey, and Neetu Singhal.(2018) The nation's digital payment ecosystem is emerging at an astonishing rate. There has been a total upturn in the payment environment since the demonetization. The revolution in technology and the demonetization crisis and the government's push for a cashless economy have paved the way for the emergence of several non-banking firms in the payment market.

According to research by Gupta, Knavish, and Nupur Arora (2020), attitudes toward adopting mobile payment systems are positively impacted by perceived utility and ease of use. Additionally, there is a strong correlation between attitude toward adopting mobile payment systems and the plan to use mobile

payment methods. Using the technological acceptance paradigm, the current study investigates the relationship between attitude toward mobile payment systems and intention to adopt them.

2020 Singh, Sindhu. According to the author, the popularity of mobile payments has expanded as a result of advancements in mobile phone technology. Customers can buy conveniently and save time by using a mobile device for online shopping. Mobile payment systems necessitate continuous communication between consumers and merchants who process payments. Though a lot of research has been done on the early adoption of mobile payment systems, not much has been done to study users' behavior after adoption.

Sampath Kumar and Kavitha, M. (2018).The demonetization caused digital payments to skyrocket in popularity. The use of mobile and internet is increasing, and government initiatives like Digital India are contributing to the exponential development in the use of digital payments. This shift to digital payments increases transaction transparency, which boosts the nation's economy. The payment system has undergone numerous modifications recently, including the addition of digital wallets, UPI, and BHIM apps to facilitate the transition to digital payments.

Djauhari, Mokh Adib Sultan, Medina Juniar, and Chairul Furqon.3.1: 29–36. They look at how Go-Pay was the financial technology innovation that improved payment efficiency. This study's primary goal was to gain further understanding of consumers' plans to utilize mobile Go-Pay payments contribute to raising customer satisfaction levels and enhancing the quality of the Go-Jek user experience. Although mobile payment technology is still in its infancy, customers are still hesitant to utilize it.

Abhrajyoti Das and colleagues (2018) Digital wallets have been increasingly popular both in India and elsewhere in the recent past. A digital wallet is a platform that is based on an online service or electronic device that enables people to transact electronically. It is a new method of payment for items. It is essentially a paperless payment mechanism that eliminates the inconvenience of always having cash on hand. Numerous services offering digital wallets have smartphone apps. Digital wallets are becoming significantly more popular in India after demonetization. In India, there are numerous digital wallets that are now in use, including Airtel Money, Jio Money, Freecharge, and Paytm.

3. RESEARCH METHODOLOGY

3.1OBJECTIVES:

1. To study the spending habit of youngsters on digital payment apps.
2. To find out the impact of digital payment apps on youngsters.
3. To suggest ways to reduce the spending habits of youngsters on digital payment apps.

3.2HYPOTHESIS:

HYPOTHESIS I.

H0: Digital payment apps do not increase the spending habit among youngsters.

H1: Digital payment apps increases the spending habit among youngsters.

HYPOTHEIS II.

H0: Digital payment apps has a negative impact on youngsters.

H1: Digital payment apps has a positive impact on youngsters.

3.3TYPE OF DATA:

PRIMARY DATA-

A structured questionnaire of 20 questions was distributed. The source of the data is questionnaire in the form of google form filled voluntarily by people who belong to the age group 15 to 29 and who reside in Andheri. The questionnaire was shared on various social media platforms like WhatsApp and Instagram. 113 valid responses were received. The questionnaire included additional demographical details such as name, age group, gender, marital status and occupation. The structed questionnaire included a set of questions that would help in understanding the spending habits of youngsters and give an insight about their views and preferences on digital payment applications.

SECONDARY DATA-

The secondary data was collected from books, journals, blogs, and magazines at allows the researcher to get better understanding of the issues persisting from the other authors.

3.4LIMITATIONS OF STUDY:

This study focuses on youngsters that is people belonging to age group 13 to 29, it does not include people with age group over 30 years. This study restricts to youngsters that reside in Andheri region of Mumbai. As this study is subjugated to a specific region the result will be small sample out of the entire population of the country. Therefore, the result may or may notbe applied to the whole population.

3.5SCOPE OF STUDY:

The scope of this study involves investigating the impact of perceived usefulness, perceived ease, perceived risk, and security on digital mobile payments. It also aims to analyze the various factors that influence users' perceptions of digital mobile payments. Additionally, the research seeks to examine the challenges faced by individuals when using digital payment methods and identify the different types of services availed by users through these platforms.

3.6SIGNIFICANCE OF STUDY:

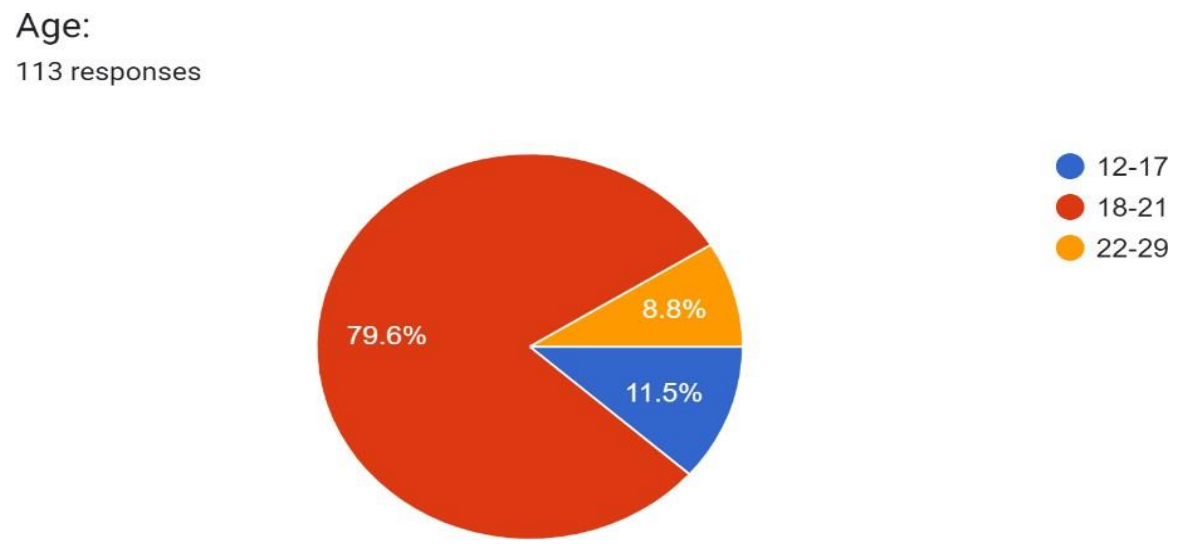
The primary significance of vocalizing Cashless and Digital Economy is to have a better access to financial resources. When customers experience the simplicity, ease-of-use, and security of online payments they engage in more online business. This indicates that an increasing number of people are at ease making purchases online, making investments online and moving money using electronic means. The expansion of online commerce and money transportation both help the economy grow. This is the reason new online businesses are starting up every day and a growing number of them are profitable. The age group of youngsters constitutes 27.5% of India’s population. It is essential to study about their consumption as they are the future of our country. Their adaptation to technology will contribute to the growing economy of the country.

4. DATA ANALYSIS & INTERPRETATION

A. Age of the respondents.

Age Group	Number	Percentage
15-17	13	11.5
18-21	90	79.6

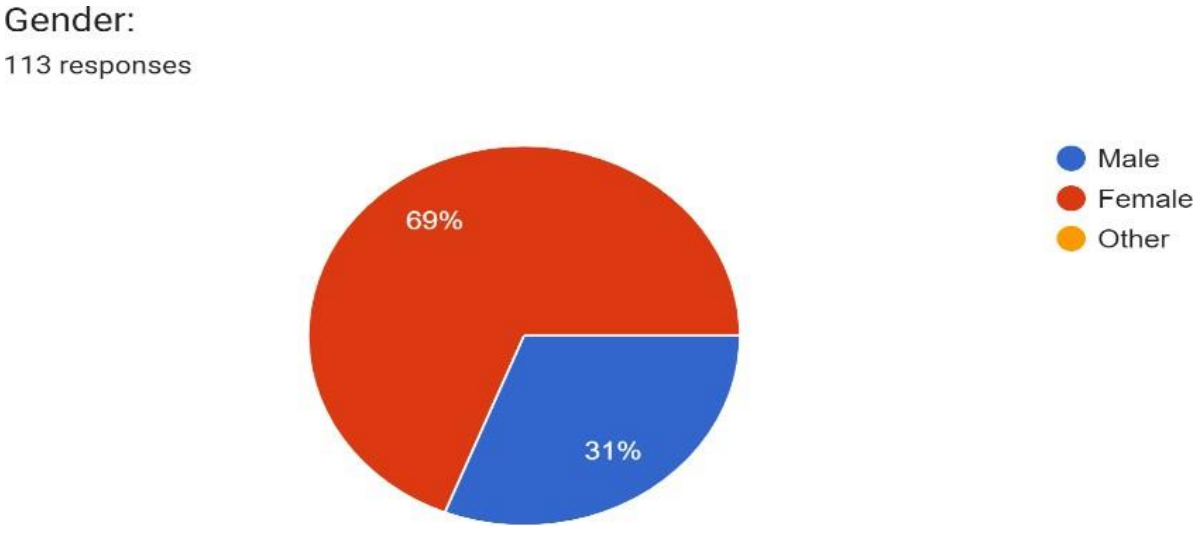
22-29	10	8.8
Total	113	100



The above data represents the break-up of the respondents based on age groups. Out of 113 respondents, 79.6% belong to the age group 18-21, 11.5% belong to the age group 12-17 and8.8% belong to the age group 22-29.

B. Gender of the respondents.

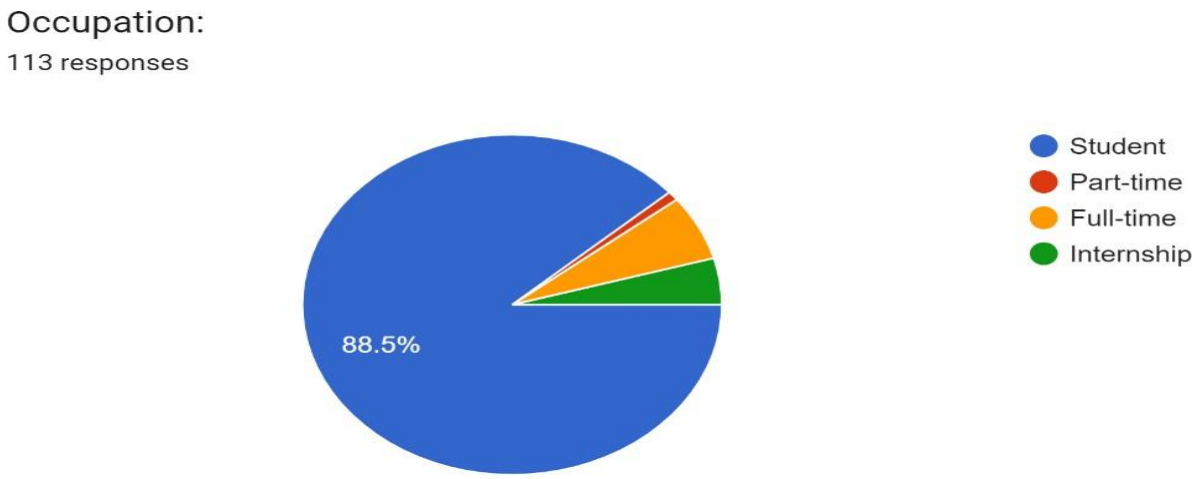
Gender	Number	Percentage
Male	35	31
Female	78	69
Other	-	-
Total	113	100



According to the responses received, out of 113 respondents 78 belong to the female division whereas 35 belong to the male division. The ratio of males: females is approximately 1:2.

C. Occupation of the respondent.

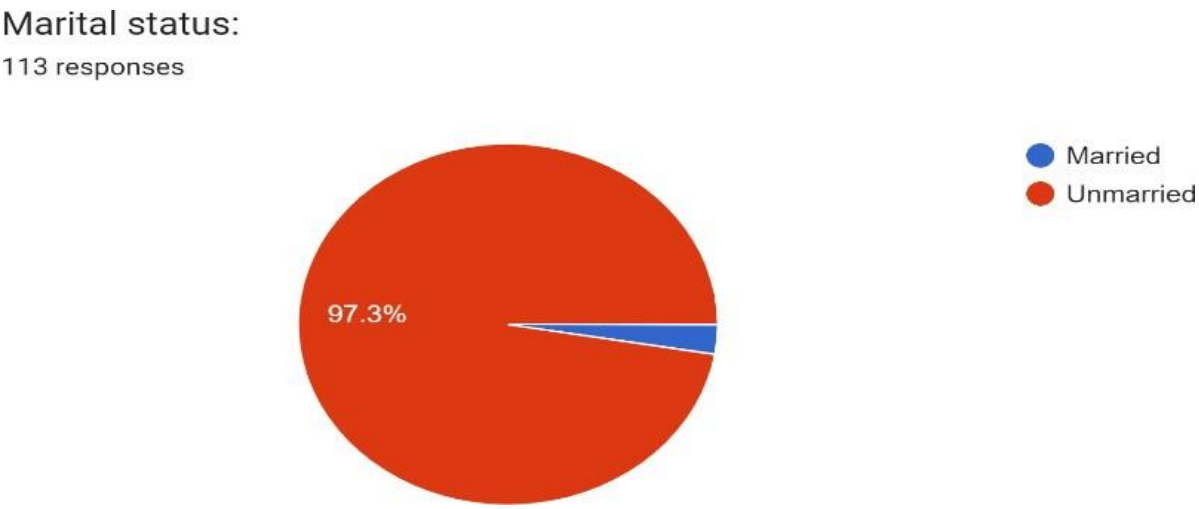
Occupation	Number	Percentage
Student	100	88.5
Internship	5	4.4
Part-time job	1	0.9
Full-time job	7	6.2
Total	113	100



The above data represents the break-up of the respondents based on occupation. Out of 113 respondents, 100 people are currently pursuing studies, 5 people are doing internships. 7 people are doing part-time jobs whereas 1 person is doing a full-time job.

D. Marital status of the respondent.

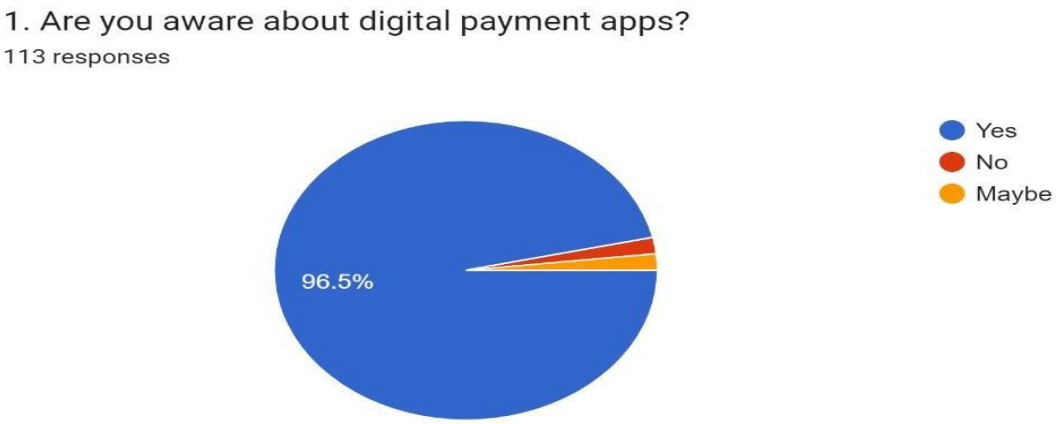
Marital Status	Number	Percentage
Married	3	2.7
Unmarried	110	97.3
Total	113	100



The above data represents that out of the total respondents only 3 of them are married while the rest of them have the unmarried status.

Q.1 Are you aware about digital payment apps?

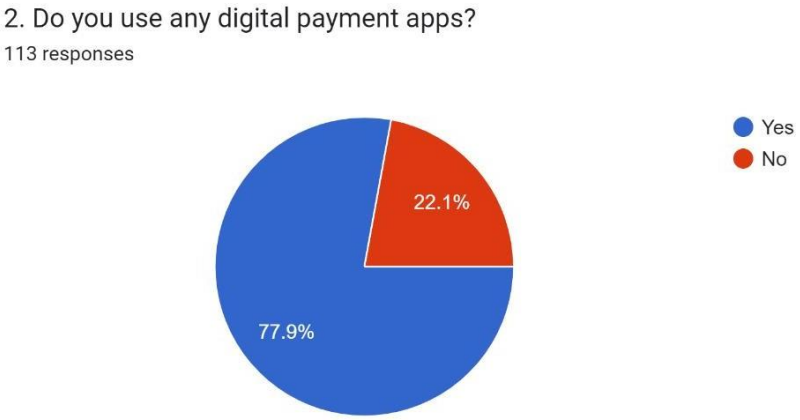
Are you aware about digital payment apps?	Number	Percentage
Yes	109	96.5
No	2	1.8
Maybe	2	1.8
Total	113	100



The above data represents the awareness about the digital payment apps among the respondents. Out of 113 responses, 109 responded 'YES', 2 responded 'NO' and 2 responded with 'MAYBE'.

Q.2 Do you use any digital payment apps?

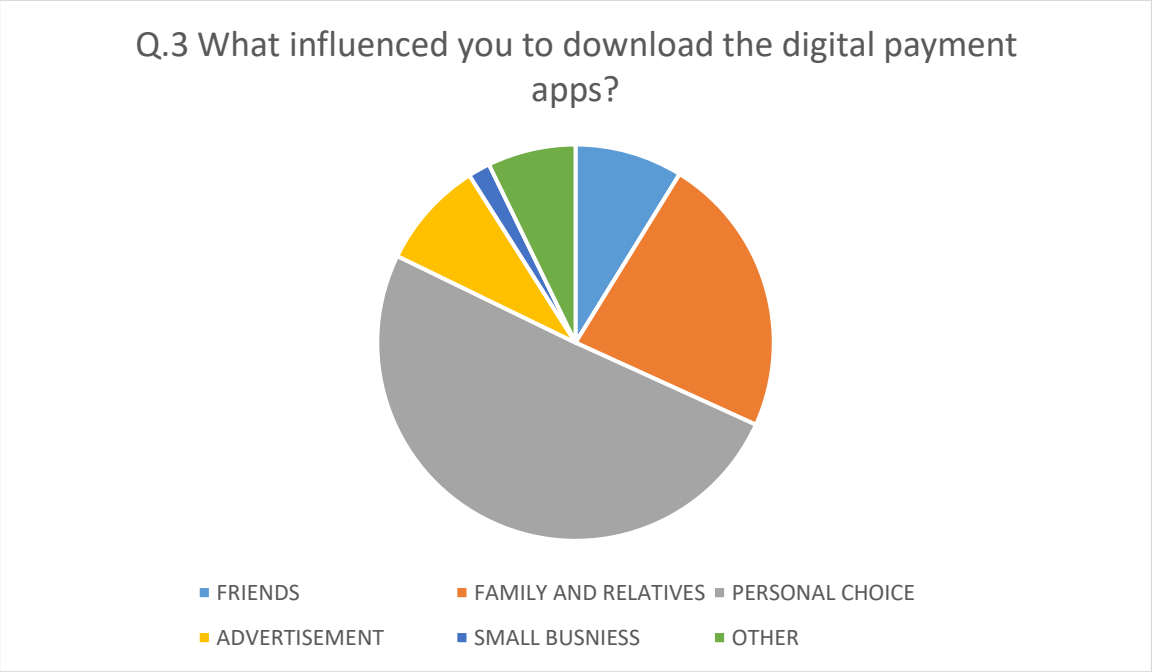
Do you use any digital payment apps?	Number	Percentage
Yes	88	77.9
No	25	22.1
Total	113	100



The breakup of the above data states that out of 113 responses, 88 opted for the response 'YES' whereas 25 opted for the response 'NO'.

Q.3 What influenced you todownload the digital payment apps?

What influenced you to download the digital payment apps?	Number	Percentage
Friends	10	8.8
Family and relatives	26	23
Personal Choice	57	50.4
Advertisement	10	8.8
Small business	2	1.8
Other	8	7.2
Total	113	100

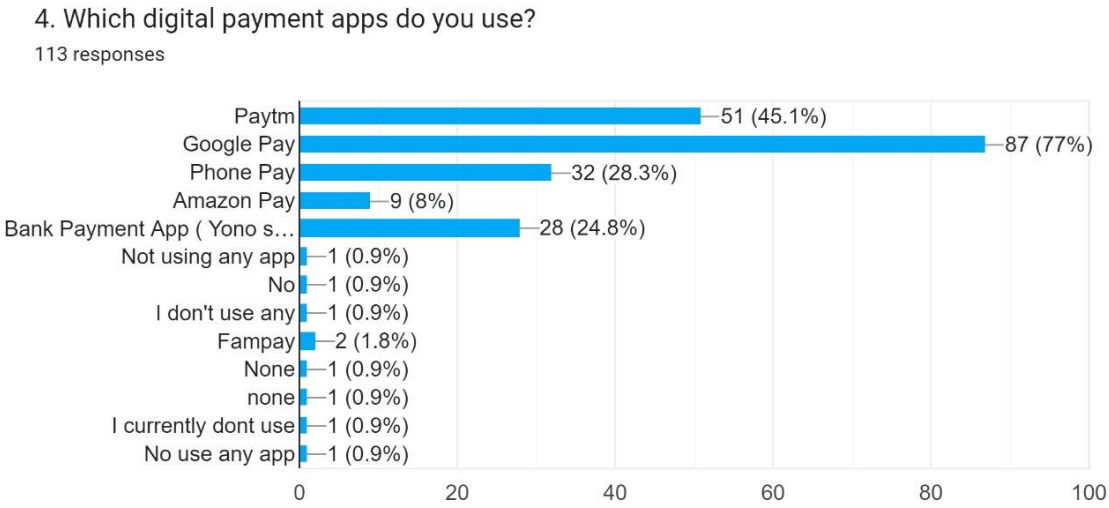


The above data represents the influences that drove the respondents to download the digital payment apps. Out of 113 respondents, 10 respondents chose 'FRIENDS', 26 respondents chose 'FAMILY AND RELATTIVES', 57 respondents chose 'PERSONAL CHOICE', 10 respondents chose 'ADVERTISEMENT', 2 respondents chose 'SMALL BUSINESS' and 8 respondents chose 'OTHER'. The majority of the respondents downloaded the apps by personal choice.

Q.4 Which digital payment apps do use?

Which digital payment apps do you use?	Number	Percentage
Paytm	51	45.1
Google Pay	87	77
Phone Pay	32	28.3
Amazon Pay	9	8

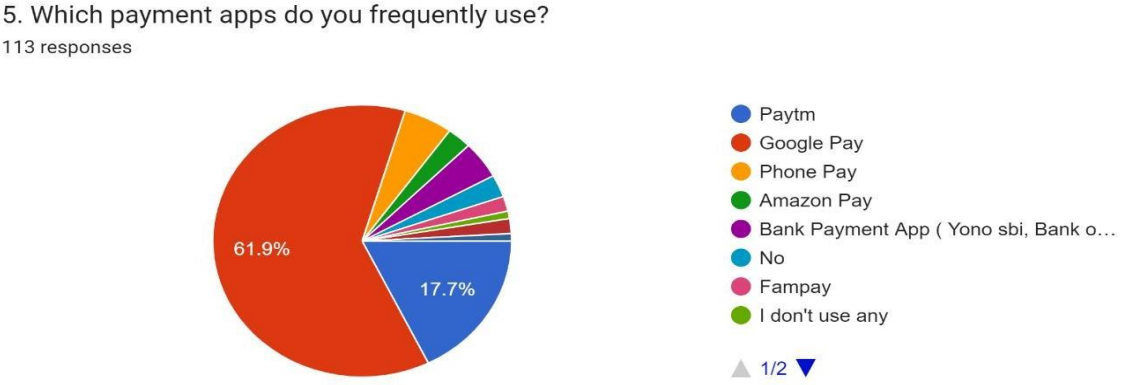
Bank Payment Apps (yono SBI, etc.)	28	24.8
FamPay	2	1.8
None	7	6.3
Total	216	188.6



As this was a multiple-choice question, the respondents had a variety of responses to choose from.

Q.5 Which digital payment apps do you frequently use?

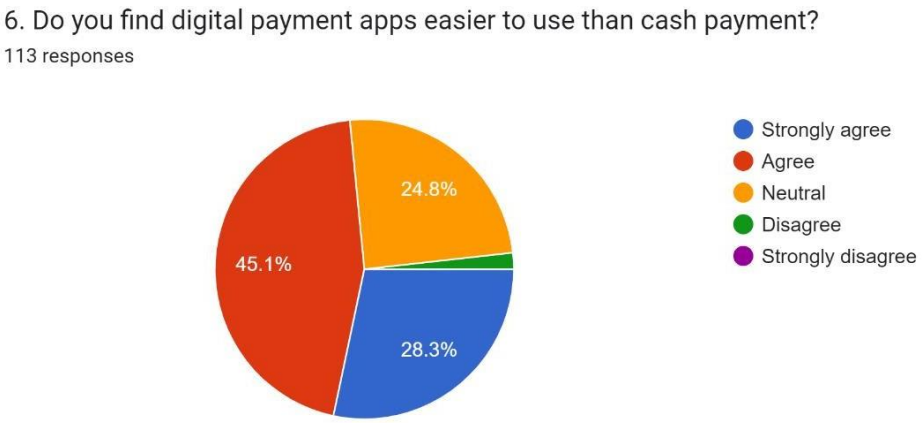
Which digital payment apps do you frequently use?	Number	Percentage
Paytm	20	17.7
Google Pay	70	61.8
Phone Pay	6	5.3
Amazon Pay	3	2.7
Bank Payment Apps (yonoSBI, etc.)	5	4.4
FamPay	2	1.8
None	7	6.3
Total	113	100



The above data represents the frequent use of digital payment apps by the respondents. Out of 113 respondents, 20 people use 'Paytm', 70 people use 'Google Pay', 6 people use 'Phone Pay', 3 people use 'Amazon Pay', 5 people use 'Bank payment apps', 2 people use 'Fam Pay' and 7 people don't use the digital payment apps. The majority of respondents use Google Pay frequently.

Q.6 Do you find digital payment apps easier to use than cash payment?

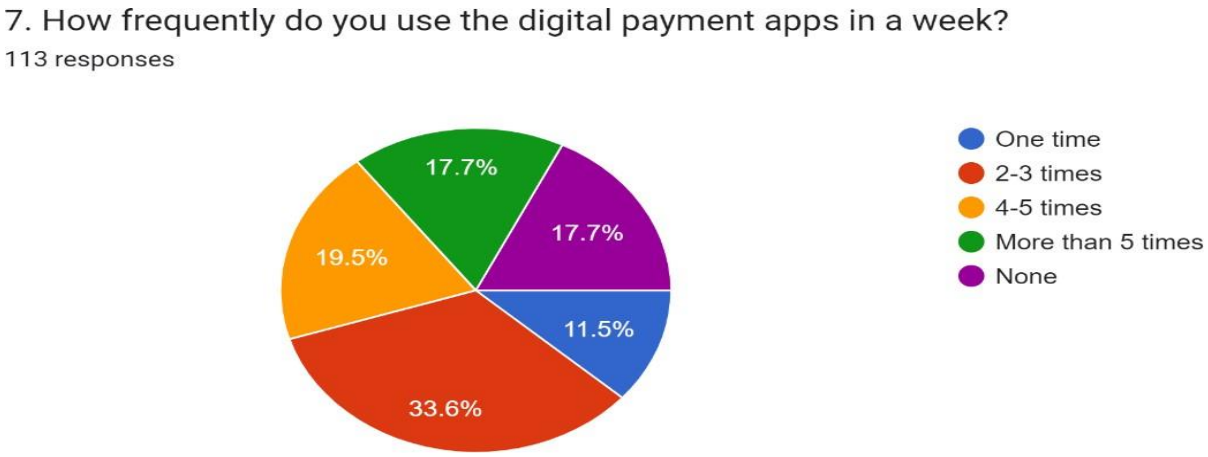
Do you find digital payment apps easier to use than cash payment?	Number	Percentage
Strongly agree	32	28.3
Agree	51	45.1
Neutral	28	24.8
Disagree	2	1.8
Strongly disagree	-	-
Total	113	100



The above data represents the convenient method of payment between digital payment and cash payment. Out of 113 respondents, 32 people 'Strongly agree' that digital payment is easier, 51 people 'Agree' that digital payment is easier, 28 people have 'Neutral' opinions whereas 2 people 'Disagree' that digital payment is easier. Majority of respondents agree with the fact that digital payment apps are more convenient than cash payments.

Q.7 How frequently do you use the digital payment apps in a week?

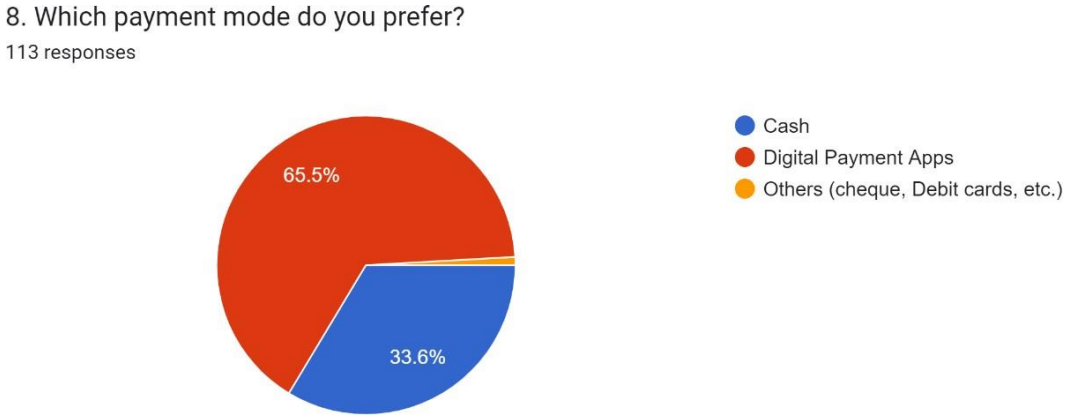
How frequently do you use the digital payment apps in a week?	Number	Percentage
One time	13	11.5
2-3 times	38	33.6
4-5 times	22	19.5
More than 5 times	20	17.7
None	20	17.7
Total	113	100



The above data shows the frequent use of digital payment apps in a week. Out of the responses received, 13 people used the app 'One time' during the week. 38 people use the app '2-3 times' in a week. 22 people use the '4-5 times' in a week. 20 people use the app 'More than 5 times' during the week. Another 20 people chose 'None' meaning that they don't use the payment apps frequently in a week.
Majority of respondents use the digital payment apps 2-3 times during the week.

Q.8 What payment mode do you prefer?

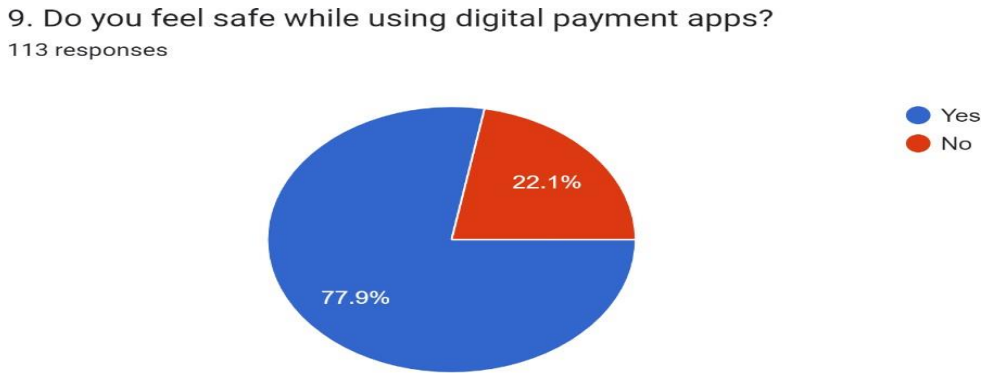
Which payment mode do you prefer?	Number	Percentage
Cash	38	33.6
Digital Payment apps	74	65.5
Others (Cheques)	1	0.9
Total	113	100



The shown data shows the preferred mode of payment of the respondents. Out of 113 respondents, 38 respondents prefer cash payments while 74 respondents prefer payment using digital payment apps and 1 respondent prefers other mode of payment.

Q.9 Do you feel safe while using digital payment apps?

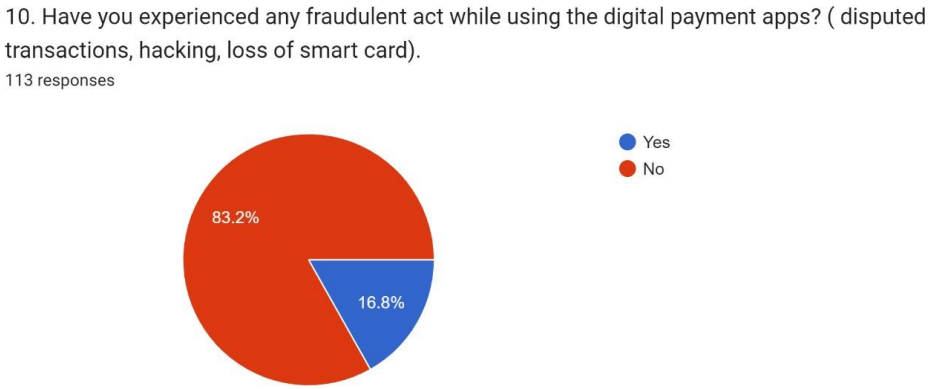
Do you feel safe while using the digital payment apps?	Number	Percentage
Yes	88	77.9
No	25	22.1
Total	113	100



The data shows whether the respondents feel safe while using the digital payment apps. 77.9% of the respondents feel secure while using the payment apps. 22.1% of the respondents do not feel secure while using digital payment apps.

Q.10 Have you experienced any fraudulent act while using the digital payment apps? (Disputed transactions, hacking, loss of smart card).

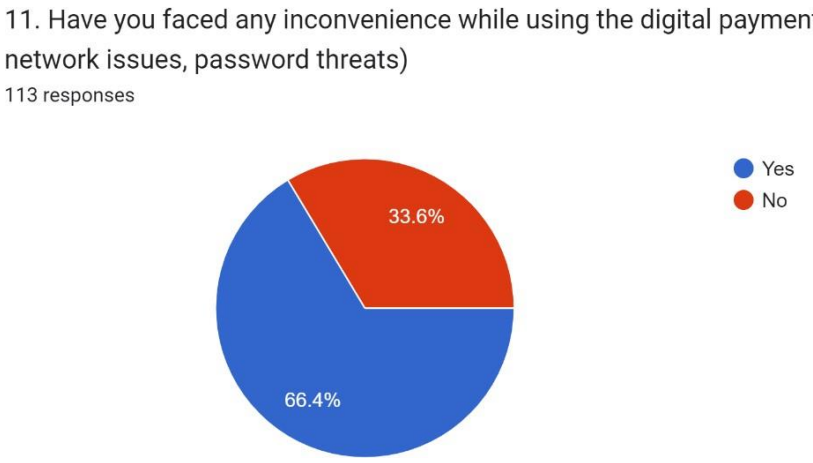
Have you experienced any fraudulent act while using the digital payment apps? (Disputed transactions, hacking, loss of smart card).	Number	Percentage
Yes	19	16.8
No	94	83.2
Total	113	100



The above data represents any fraudulent activity experienced by the respondents while using digital payment apps. 83.2% of the respondents have not experienced any fraudulent activities while 16.8% stated that they have experienced some fraudulent acts while using the payment apps.

Q.11 Have you faced any inconvenience while usingthe digital payment apps? (Technical problems, network issues, password threats)

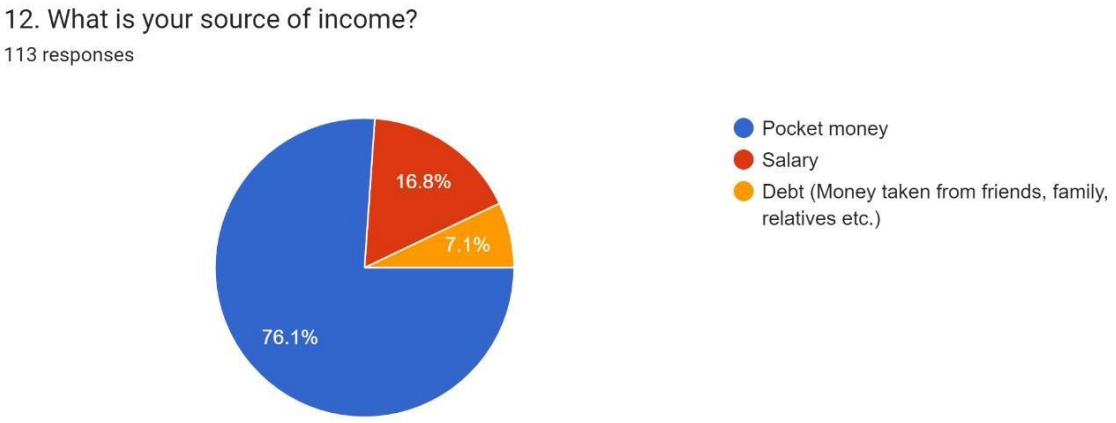
Have you faced any inconvenience while using the digital payment apps? (Technical problems, network issues, password threats)	Number	Percentage
Yes	75	66.4
No	38	33.6
Total	113	100



The above data inquires the inconvenience faced while using the payment apps. 66.4% of the respondents have faced technical problems whereas 33.6% of the respondents have not faced technical difficulties.

Q.12 What is the source of your income?

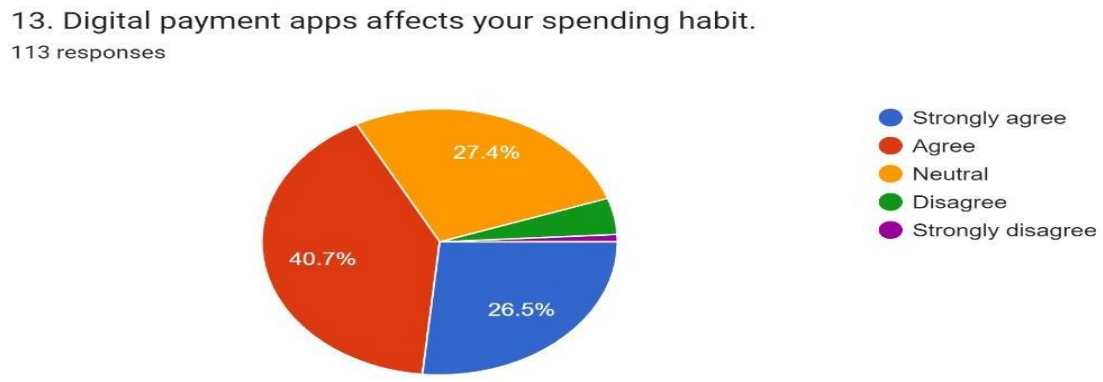
What is your source of income?	Number	Percentage
Pocket money	86	76.1
Salary	19	16.8
Debt	8	7.1
Total	113	100



From the above data we can interpret that 76.1% of the respondents have pocket money as their source of income, 16.8% of the respondents earn salary as an income whereas 7.1% take debt from friends, family as their source of income.

Q.13 Digital payment apps affectyour spending habits.

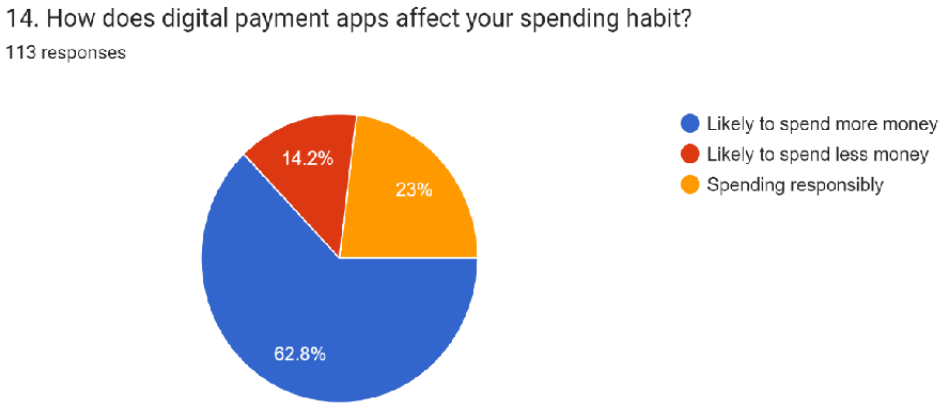
Digital payment apps affect your spending habits	Number	Percentage (%)
Strongly agree	30	26.5
Agree	46	40.7
Neutral	31	27.4
Disagree	5	4.4
Strongly disagree	1	0.9
Total	113	100



The above data shows that out of 113 respondents, 67.2% of the respondents ‘Agree’ that digital payment apps affect their spending habit whereas 27.4% of the respondents have neutral opinions and 5.3% ‘Disagree’ that using digital payment apps affects their spending habits.

Q.14 How does digital paymentapps affect your spending habit?

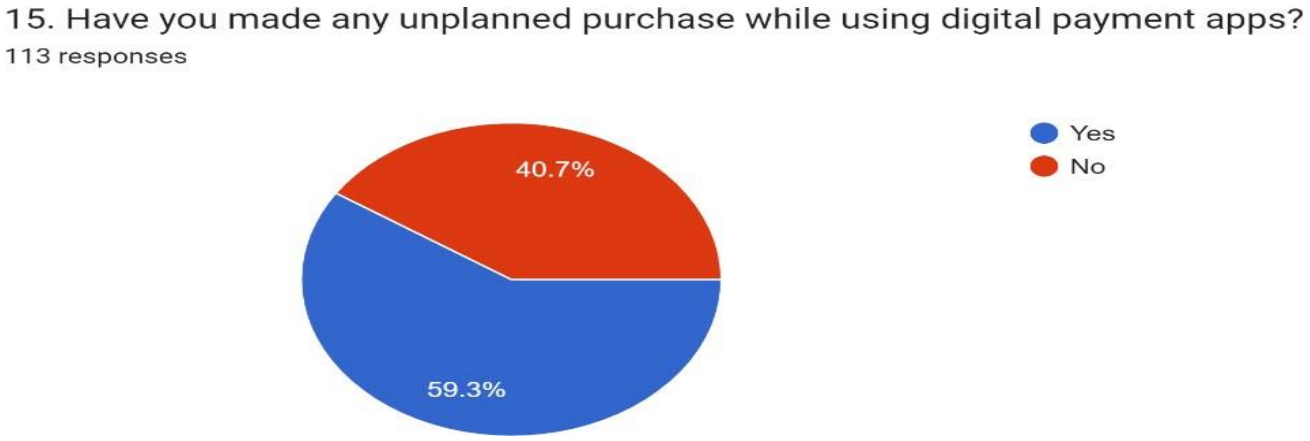
How does digital payment apps affect your spending habit?	Number	Percentage
Likely to spend more money	71	62.8
Likely to spend less money	16	14.2
Spending responsibly	26	23
Total	113	100



The above data shows 62.8% of the respondents would be spending more money while using digital payment apps. 14.2% of the respondents would be spending less money while using digital payment apps and 23% of the respondents would spend money responsibly.

Q.15 Have you made an unplanned purchase while using digital payment apps?

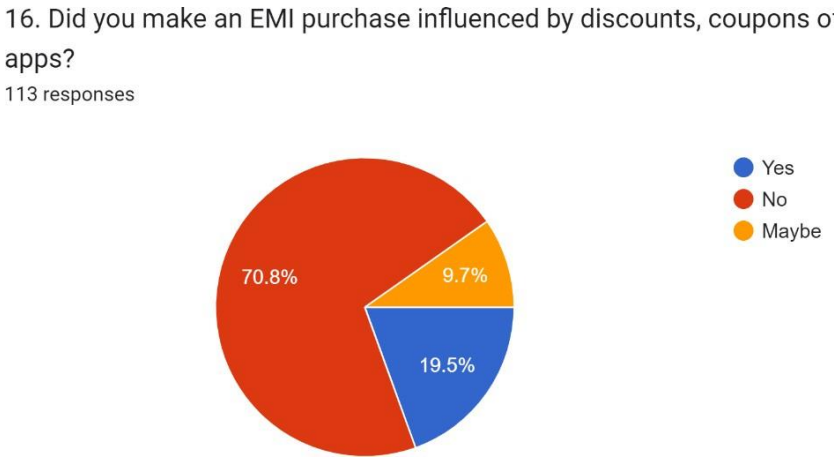
Have you made an unplanned purchase while using digital payment apps?	Number	Percentage
Yes	67	59.3
No	46	40.7
Total	113	100



59.3% of the respondents have made an unplanned purchase due to digital payment apps. Theoffers and discounts make the product so attractive that the users cannot help but buy the product. 40.7% of the respondents have not made any unplanned purchases.

Q.16 Did you make an EMI purchase influenced by discounts; coupons offeredby digital payment apps?

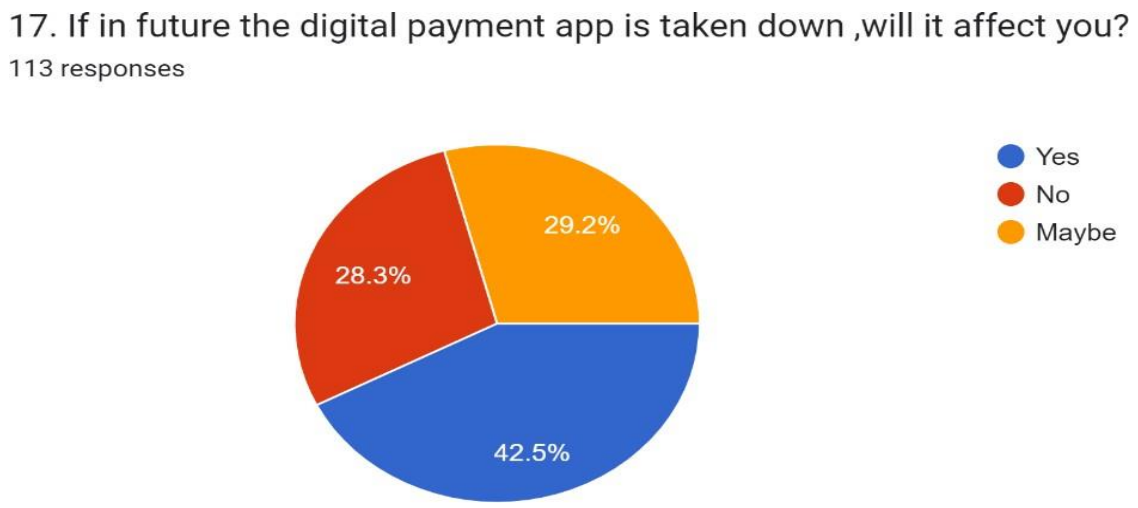
Did you make an EMI purchase influenced by discounts; coupons offered by digital payment apps?	Number	Percentage
Yes	22	19.5
No	80	70.8
Maybe	11	9.7
Total	113	100



Majority of the respondents are not attracted by the offers available on digital payment appsto make an EMI purchase. 19.5% of them have made an EMI purchase while the other (9.5 %) are uncertain of their response.

Q.17 If in future the digital payment app is taken down,will it affect you?

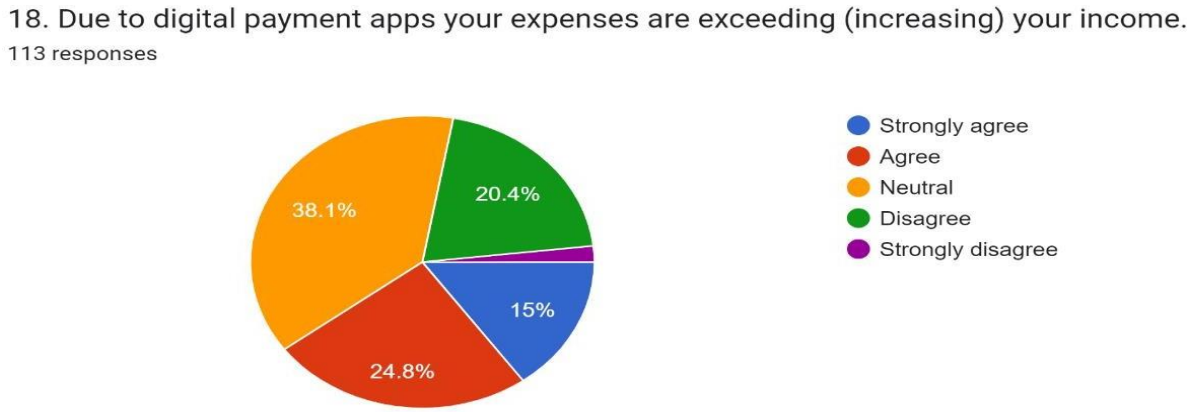
If in future the digital payment app is taken down, will it affect you?	Number	Percentage
Yes	48	42.5
No	32	28.3
Maybe	33	29.2
Total	113	100



Majority of the respondents will be affected if the digital payment apps are taken down in future this indicates that the apps are indispensable. 29.2% are uncertain about their response while 28.3% respondents won't be affected by this situation.

Q.18 Due to digital payment apps your expenses are exceeding (increasing) your income.

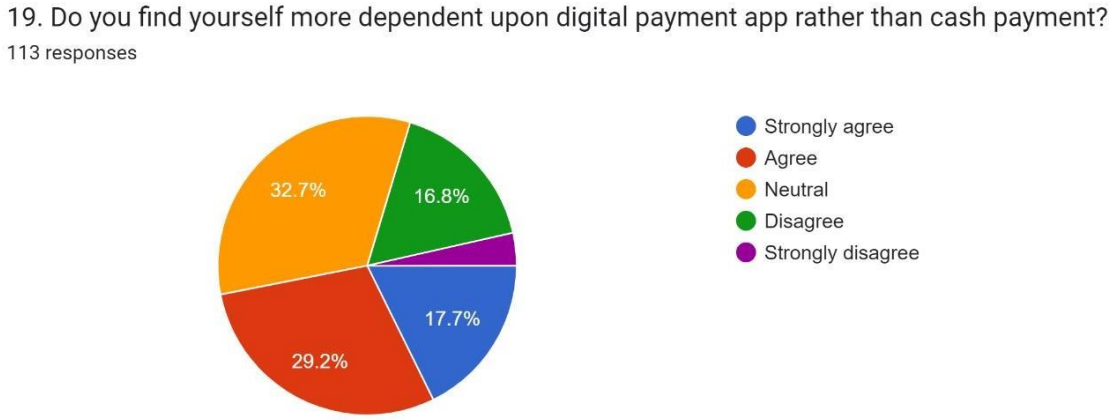
Due to digital payment apps your expenses are exceeding (increasing) your income.		
Strongly agree	17	15
Agree	28	24.8
Neutral	43	38.1
Disagree	23	20.4
Strongly disagree	2	1.8
Total	113	100



39.8% youngsters agree that they spend more while using digital payment apps as their expenses exceeds their income due to these apps. 38.1% stay neutral to the statement whereas 22.3% disagree to the statement.

Q.19 Do you find yourself moredependent upon digital payment app rather than cash payment?

Do you find yourself more dependent upon digital payment app rather than cash payment?	Number	Percentage
Strongly agree	20	17.7
Agree	33	29.2
Neutral	37	32.7
Disagree	19	16.8
Strongly disagree	4	3.5
Total	113	100



17.7% youngsters strongly agree that they find themselves more dependent on digital payment which could lead to them using the payment apps more often, affecting their spending habit to send more money. Majority of the people stay neutral to the statement while the others disagree with it.

5. CONCLUSION & SUGGESTIONS

5.1 CONCLUSION

The present study in verifiable in nature and used statistical results for its finds and conjecture. The results show Substantial number of users prefer digital banking on weekly basis and find it convenient in daily operations. Majority of digital payment users agree with importance of cashless transactions in promoting digital payments. This study concluded that out of 113 respondents 71 of them are likely to spend more money while using these apps, resulting to rise in their spending habit. 16 of them would spend less money whereas 26 of them spend would spend it responsibly leading to no change in their spending habit. As majority of the youngsters prefer using digital payment app it is a step towards digitalization of India. From the study conducted and responses received, it is proved that digital payment apps increase the spending habit among the youngsters. **The alternate hypothesis of Hypothesis I stating, 'Digital payment apps increases the spending habit among youngsters' has been proven right.**

As proven in the above statement, it is likely that youngsters have spent more while using the digital payment apps. This creates a situation where the youngsters are unaware about their expenditure and are unable to save their sources of income. The offers provided by these digital payment apps are very attractive and it leads to increase in unplanned purchases, the ease of digital payment is also a great

contributor in impulsive buying. 59.3% of the respondents have made an unplanned purchase due to digital payment apps. The offers and discounts make the product so attractive that the users cannot help but buy the product. This creates a negative impact on the youngsters as they are unable to save money and spend it irresponsibly on impulsive buying. Thereby it is proved that digital payment apps create a negative impact on youngsters. **The null hypothesis of Hypothesis II stating, 'Digital payment apps has a negative impact on youngsters' has been proven right.**

India has recently overtaken the UK to become the fifth largest economy in the world. Digitization is a process of converting the diverse forms of information, such as text, sound, image, or voice into digitalized format. The digitization has a proven impact on economy and society by reducing unemployment, improving quality of life, and boosting access to knowledge and other public services. (Saima Khan, 2015) The government has been promoting digitalization by introducing schemes like the union cabinet chaired by prime minister Narendra Modi has approved Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) to make 6 crore rural households digitally literate. PMGDISHA is expected to be one of the largest digital literacy programmes in the world. In the Indian sense, the digitalization of payments is a great opportunity. Complete transfers by digital payment tools are estimated to lead to India with no currency. As payment mode, most of the respondents would choose the digital payment apps or the net banking method. The extremely favorite digital app now is a day for digital payment consumers.

The current findings of study states that the youngsters spend more while using the digital payment apps thereby saving less money which has a negative impact on them. The digitalization of the payment has been a great opportunity for India but it can be harmful if not used correctly and with limits.

5.2 SUGGESTIONS-

Decide on a savings target:

It can be difficult to save money, but it's a good idea to have three to six months' worth of living expenses set aside as a rainy-day fund in case you experience unanticipated bills or lose your job. With the use of roundup and automated deposit features, several digital payment systems let users set savings goals and make it simpler for you to reach them. According to research conducted by Commonwealth, a nonprofit organization that assists those in need financially, users with low to moderate incomes are likely to find great use for this function.

Assign a budget to every area of expenditure:

Establishing a monthly spending budget is a fantastic idea, but it's much better to divide that budget down into each main expenditure category. Making distinct spend buckets forces you to consider your spending more carefully, which lowers your chance of going over budget. You can deliberately decide to balance an overspend in one area by making savings in another if your expense tracking indicates that you are overspending in that area.

When you are almost at your spending limit, set a reminder:

Setting up an alert to notify you when your spending exceeds a predetermined proportion of your monthly budget is another useful feature of some digital wallets. This aids in preventing expenditures. You should immediately cut back on your expenditures to keep inside your budget if you are getting your alert earlier than anticipated in the month or year you have set aside for it.

When payments are due on your bills, set a reminder:

Since life is hectic and it's simple to overlook things on your to-do list, why not set up a reminder in your digital wallet to alert you when bills are due? You may avoid extra penalties like interest and fees by set-

ting reminders with some wallets, which help ensure that you pay your payments on time.

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