

A Study on Awareness of Digital Payment System Among Youngsters in Kerala

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Abstract

Digital payment is the new worldview that offers significant advantages to banks as far as expanding benefit and efficiency just as to its clients regarding simplicity of payments and admittance to the banking administrations 24*7. It is cultivated by utilizing condition of - the-workmanship innovation foundation to achieve changes in interior cycles and outside interfaces. Gone are the days when individuals used to remain in long queues of bank trusting that their turn will pull out cash or to store money in banks. Presently, individuals can approach bank without remaining in long queues according to their benefit without agonizing over the financial hours. On the prior, when digital payment present, individuals hesitant to change their exchange propensities yet after demonetization, they are left with no decision to do their exchanges with digital payment. Expanding utilization of web, versatile entrance and government activity, for example, Digital India are going about as an impetus which prompts dramatic development being used of digital payment. The shopper impression of digital payment has a critical and positive effect on appropriation of digital payment. Business banks give unrivaled customer administration as one of the greatest suppliers of banking and monetary administrations in our metropolitan and country hinterland. Steadfast customer base must be made through conveying Customer Delight. Yet, the essence of the issue is that to accomplish better execution, the Indian banks, both private and public, necessities to offer support quality. This research paper highlights the youngsters perception and adoption of digital payment systems in Kerala.

Keywords: Digital Payment, Awareness, Youngsters.

1. Introduction

The rapid advancement of information and communication technology (ICT) has transformed the financial landscape in India, leading to a significant shift from traditional cash-based transactions to digital payment systems. Digital payments enable users to perform financial transactions electronically through platforms such as UPI, mobile wallets, internet banking, and card-based systems. Government initiatives like Digital India and Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA), along with the post-demonetization push, have played a vital role in promoting digital transactions across the country. These efforts aim to enhance transparency, financial inclusion, and convenience by offering citizens 24×7 access to banking and payment services.

Despite this progress, challenges such as lack of awareness, perceived security risks, and misconceptions about digital payment costs continue to affect adoption levels, particularly among common users. Youngsters, being tech-savvy and early adopters of technology, play a crucial role in shaping the future of the digital economy. Hence, this study focuses on assessing the awareness, perception, and adoption of digital payment systems among youngsters in Kerala, identifying the factors influencing their usage, and evaluating their attitudes toward digital transactions in the context of a rapidly evolving cashless economy.

2. Review of Literature

Gupta, Sunny and Dinesh Kumar (2020). The researchers have analyzed the innovativeness of UPI (Unified Payments Interface) and how consumers perceive this payment method. The present research has revealed that the demographical profile of the respondents except their educational qualification has no influence over utilization of the UPI payments interface. Particularly, if the respondent has education beyond matriculation and is tech savvy, then it is highly likely that they will be inclined to use UPI payments interface. Moreover, the increased availability of internet and smart phones have aided the outreach of UPI payments among the people.

Deepa. D and Lalitha. V. (2020). The study tries to understand the present condition of the cashless economy in the Indian context. Due to impact created by the demonetization by the Indian government, the common people were forced to go digital with regard to their purchases. The government introduced the UPI in order to promote digital transactions in the Indian context. Though the move was initiated by the government, many private players have entered into the market and they have introduced their own apps in order to facilitate cashless transactions. But the present study revealed that compared to other similar nations, India is still lagging behind in digital economy. Therefore, the government needs to further promote digital payments in order to increase the usage of digital transaction by the common people.

Rose, V. Josephine Lourdes De and Sureya S. J. (2020). In this research, the researchers have analyzed the effectiveness of digital transactions using the mobile applications. The consumers are using the mobile applications for various purposes such as transferring money through various modes such as RTGS, NEFT, UPI and IMPS for paying utility bills, purchasing things and many other services. The researcher has chosen the four dimensions of perceived usefulness, credibility, tech savvy and compatibility and has said that all these variables influence the consumers in using the mobile applications.

Subi. P.S (2020). The researcher has analyzed the new age digital payment methods present in the world at the moment. The government has initiated the digital India movement and as a part of it the push to digitize the banking sectors also began. As a result, the UPI and BHIM have been introduced by the government. The ultimate aim of the government is to make all the banking transactions through digital mode. In order to achieve this aim the government is taking all the steps necessary. But due to the factors such as illiteracy and security issues, the consumers are still to catch up with the digital India movement. Therefore, the government needs to make sure that all the people in India are literate before aiming to become a digital economy. Moreover, there are many security issues that haunts the digital India move by the government. This also needs to be rectified in order to achieve the goal of 100% digital economy.

3. Statement of the Problem

The current scenario of Indian economy shows the tendency of movement from cash to cashless transactions. There are so many efforts have been taken by the government in order to convert the face of Indian economy into a new one. Now a day every transaction is going digital. In order to accelerate the

execution of the concept of digital economy there are number of digital payment systems were introduced. These payment systems can make changes in the economic life of people. 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. The outlay for this project is Rs 2,351.38 crore to usher in digital literacy in rural India by March 2019. PMGDISHA is expected to be one of the largest digital literacy programmes in the world. Under the scheme, 25 lakh candidates will be trained in the fiscal year 2016-17, 275 lakh in fiscal year 2017-18 and 300 lakh in fiscal year 2018-19. The Committee on Digital Payments constituted by the Ministry of Finance, Department of Economic Affairs has recommended for the medium term strategy for accelerating growth of Digital Payments. However, many of the digital payment methods are not popular among the common people and people are not comfortable to use them for their day-today's transactions. There is less awareness among the people about different types of digital payment methods. There is also a myth among them that overspending is possible when we use the digital payment nodes and banks deduct high transaction cost for the digital payment operations. Hence literacy about the digital payments has become a necessity. This investigation aims at analyzing and assessing Youngsters using digital payments. Findings that could have an impact on the adoption of Digital Payment (DP) in Kerala will also be examined in current research

4. Objectives of the Study

- To know the awareness level Youngsters regarding digital payment system
- To analyses the level of adoption of digital payment among youngsters in Kerala
- To study the perception of respondents towards digital payment.
- To find out the factors influencing digital payment system.

5. Scope of the Study

India is a developing economy characterized by middle class population, emerging standard of living, young population with huge opportunities for employment and entrepreneurship, high purchasing power of the people and growth in voluminous business transactions. The development of Indian demographics is resulting in high demand for all types of financial and non-financial services across the world. Further, the Indian economy is witnessing tremendous growth in the last two decades following the growth in information technology and information technology enabled services. Presently, the "Digital India" initiative of the government has given a tremendous boost to the usage of digital payment systems throughout the country. Kerala is a dynamic state with impressive demographics and the state is going digital and is on the path to embrace technology in all its spheres. The present study is therefore undertaken to identify the awareness and purpose of usage of digital payment systems of Youngsters in Kerala. The study is limited to the investigation of perception, awareness and adoption on Digital payment practices in Youngsters in Kerala. It also focuses on the on Perception and awareness of the Youngsters in Kerala. Overall, much research has been devoted to almost Government/Aided colleges in Kerala state.

6. Research Methodology

The present study is focused to ascertain the Youngsters perception towards digital payment systems. Surveys using a structured questionnaire. This was done to obtain responses from respondents on various factors identified in the literature review.

Table 1 gives a list of all the independent and dependent variables on the basis of which the above null hypotheses will be tested.

Table 1: Independent and Dependent Variables

Dependent Variable	Independent Variables
Youngsters Perception and Awareness	Transaction speed
	Usefulness
	Compatibility
	Trust
	Social influence
	Cost, Security
	Connectivity
	Performance expectation,
	Perceived risk
	Convenience and benefits

7. Research Design

A research design is an arrangement of conditions for collection and analysis of data with relevance to the research purpose with economy in procedure. The research remains an explorative and descriptive approach for studying the attitude of the respondents. A simple descriptive research design is used when data are collected to describe persons. For initial stage of problem identification, the researcher has used the explorative research to identify and to know the fact on the research problem.

8. Sampling

The sampling plan of the present study in terms of defining the target population, sampling plan and sample size is enumerated in the following sub-sections.

9. Sampling Techniques

The sampling design is a method the researcher adopts to choose the sample respondents for the present research. The multi-stage sampling technique was followed here in which the first stage focus on the colleges (i.e.) the first stage of sampling includes the Youngsters. The second stage of the sampling includes the respondents of the study. The respondents are selected by the simple random sampling method.

10. Sampling Size

Total Five hundred questionnaires were distributed among the respondents from Thiruvananthapuram district. Out of which 487 Questionnaires were returned out of which few were incomplete, total of 464 responses were found complete in all senses and suitable to be analyzed. The present study is based on a sample size of 464 Youngsters.

Table 2: Reliability Test

Variables	Cronbach Alpha
Transaction speed	0.879

Usefulness	0.787
Compatibility	0.678
Trust	0.775
Social influence	0.883
Cost, Security	0.876
Connectivity	0.876
Performance expectation,	0.922
Perceived risk	0.823
Convenience and benefits	0.789

Reliability test was executed to test the validity of the framed research questionnaire, using Cronbach Alpha Method in IBM SPSS Statistics 27.

The Cronbach Alpha value depicted 0.828 which reveals the reliability percentage as 82.8%. This is above the benchmark value suggested by Cronbach (1971) of 0.70 i.e., 70%. Since, the validity and reliability of this research questionnaire is high; the researcher proceeded with the data collection for the main study

11. Results and Discussion

H₀: There is no Association between Youngsters Perception towards Digital Payment System and Gender Types.

Table 3: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	180.077(a)	119	.000
Likelihood Ratio	227.935	119	.000
Linear-by-Linear Association	.323	1	.570
N of Valid Cases	464		

Source: Primary Data

Table 3 Association between Youngsters Perception towards Digital Payment System and Gender of the respondents. From the computed data of the sample unit, The Karl Pearson's Chi-Square (χ^2) value is 180/077 and the p value is 0.000 which proves that they are statistically significant at 5% level, and there is an association between gender of the respondents and their perception towards digital payment systems. This is in line with the previous study of (Lawson & Todd, 2003)

Table 4: Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	146.042(a)	119	.047
Likelihood Ratio	182.113	119	.000
Linear-by-Linear Association	3.780	1	.052
N of Valid Cases	464		

Source: Primary Data

H₀: There is no Association between Youngsters Perception towards Digital Payment System and Marital Status

The association between the Youngsters Perception towards Digital Payment System has been analyzed with marital status of the respondents. From the computed data of the sample unit, The Karl Pearson's Chi-Square (χ^2) value is 146.042 and the p value is 0.047 which proves that they are statistically significant at 5% level, and there is association between marital status of the respondents and their perception towards digital payment systems. This result is same with the earlier study of (Lawson & Todd, 2003)

Table 5: Association between Youngsters Perception towards Digital Payment System and Educational Qualification of the respondents

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	348.274(a)	357	.620
Likelihood Ratio	339.423	357	.740
Linear-by-Linear Association	.220	1	.639
N of Valid Cases	464		

Source: Primary Data

H₀: There is no Association between Youngsters Perception towards Digital Payment System and Educational Qualification Classification

The association between the Youngsters Perception towards Digital Payment System has been analyzed with educational qualification of the respondents.

From the computed data of the sample unit, The Karl Pearson's Chi-Square (χ^2) value is 348.274 and the p value is .620 which proves that they are statistically significant at 5% level, and there is no association between educational qualification of the respondents and their perception towards digital payment systems. This result is analogous with the previous study of (Sathye, 1999) and contrast with the earlier study of (Lawson & Todd, 2003).

Table 6: Association between Youngsters Perception towards Digital Payment System and Family income of the respondents

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	350.685(a)	357	.584
Likelihood Ratio	371.551	357	.287
Linear-by-Linear Association	.760	1	.383
N of Valid Cases	464		

Source: Primary Data

H₀: Association between Youngsters perception and Salary

The association between the Youngsters Perception towards Digital Payment System has been analyzed with salary of the respondents.

From the computed data of the sample unit, The Karl Pearson's Chi-Square (χ^2) value is 350.685 and the p value is .584 which proves that they are statistically insignificant at 5% level, and there is an no association between annual income of the respondents and their perception towards digital payment systems. This result is analogous with the previous study of (Lawson & Todd, 2003) and contradictory with the earlier study of (Sathye, 1999).

Table 7: Influence of Gender on the Factors affecting Youngsters Perception towards Digital Payment Systems

Variables	F	Sig.	Alpha value
Transaction Speed	1.201	0.274	0.05
Usefulness	0.384	0.536	0.05
Compatibility	0.426	0.514	0.05
Trust	0.058	0.809	0.05
Social Influence	0.508	0.476	0.05
Costs	0.322	0.571	0.05
Connectivity	0.649	0.421	0.05
Performance Expectation	1.289	0.257	0.05
Security	0.848	0.357	0.05
Perceived Risk	0.006	0.939	0.05
Convenience and Benefits	0.278	0.599	0.05

Source: Primary Data

Ho: There is no significance variance between Gender of the respondent and perception towards Digital Payment System

From the computed data of the sample unit, it is found that Transaction speed($F = 1.201$, $p = 0.274$), Usefulness ($F = .384$, $p = 0.536$), Compatibility ($F = .0426$, $p = 0.514$), Trust ($F = 0.058$, $p = 0.809$), Social Influence ($F = 0.508$, $p = 0.476$), Cost ($F = 0.322$, $p = 0.571$), Connectivity($F = 0.649$, $p = 0.421$), security ($F = .0.848$, $p = 0.357$),perceived risk ($F = 0.006$, $p = 0.939$),convenience and benefits($F = 0.278$, $p = 0.599$) and Performance Expectation ($F = 1.289$, $p = 0.257$) are statistically not significant at 5% level, which was found by applying One-Way ANOVA. There is a no significant variance among the male and female respondents' perception towards digital payment system with respect to the factors like Usefulness, Compatibility, Trust, Social Influence, Cost and Performance Expectation. This finding is analogy with the findings of previous study of (Nath& Chen, 2008) and samet with the findings of previous study of (Shamsher Singh &Rana, 2017)

Table 8: Influence of Marital Status on the Factors affecting Youngsters Perception towards Digital Payment Systems

Variables	F	Sig.	Alpha value
Transaction Speed	0.069	0.794	0.05
Usefulness	3.619	0.058	0.05
Compatibility	1.445	0.23	0.05
Trust	8.559	0.004	0.05
Social Influence	5.012	0.026	0.05
Costs	0.098	0.755	0.05
Connectivity	0.048	0.826	0.05

Performance Expectation	2.359	0.125	0.05
Security	2.015	0.156	0.05
Perceived Risk	7.997	0.005	0.05
Convenience and Benefits	9.814	0.002	0.05

Source: Primary Data

Ho: There is no significance variance between Marital Status of the respondent and perception towards Digital Payment System

From the computed data of the sample unit, it is found that Transaction speed ($F = 0.069$, $p = 0.794$), Usefulness ($F = .3.619$, $p = 0.058$), Compatibility ($F = .1.445$, $p = 0.23$), Trust ($F = 8.559$, $p = 0.004$), Social Influence ($F = 5.012$, $p = 0.026$), Cost ($F = 0.098$, $p = 0.755$), Connectivity ($F = 0.048$, $p = 0.826$), security ($F = .2.015$, $p = 0.156$), perceived risk ($F = 7.997$, $p = 0.005$), convenience and benefits ($F = 0.278$, $p = 0.599$) and Performance Expectation ($F = 9.814$, $p = 0.002$). Transaction speed Usefulness, compatibility, cost, connectivity convenience and benefits and security are statistically significant at 5% level, and perceived risk, social influence, performance expectation and trust, are statistical insignificant which was found by applying One-Way ANOVA. There is a significant difference among the married and unmarried respondents' perception towards digital payment system with respect to the factors like perceived risk, social influence, performance expectation and trust

Table 9: Correlation Between Demographic Variables and Employee Engagement

Variables	R-value	Significance level	Sig. value	Result
Transaction Speed	.874(**)	$P > 0.05$	0.000	Significant
Usefulness	.903(**)	$P > 0.05$	0.000	Significant
Compatibility	.876(**)	$P > 0.05$	0.000	Significant
Trust	.887(**)	$P > 0.05$	0.000	Significant
Social Influence	.847(**)	$P > 0.05$	0.000	Significant
Costs	.149(**)	$P > 0.05$	0.000	Significant
Connectivity	.865(**)	$P > 0.05$	0.000	Significant
Performance Expectation	.921(**)	$P > 0.05$	0.000	Significant
Security	.913(**)	$P > 0.05$	0.000	Significant
Perceived Risk	.859(**)	$P > 0.05$	0.000	Significant
Convenience and Benefits	.864(**)	$P > 0.05$	0.000	Significant

Source: Primary Data

Ho: There is no impact on Youngsters perception and factors affecting college teacher's perception. The above correlation table (table 9) interprets that, there is a significant relationship between the Independent variables and the College teachers perception towards digital payment systems at 5 % level of significance.

12. Suggestions

- Consumers should be aware of the rules and regulations of digital payment systems.
- Consumers should be vigilant while performing digital transfers or payments because a minor error may lead to a major financial loss.
- Consumers need to be precautious while entering the account number and transfer amount and verify the details before confirming or authorizing a transaction.
- Consumers should not share their digital banking or payment details like login id, login password, transaction password, and OTP (One-Time Password) to anyone, not even to the bankers.
- Consumers must create a strong password and remember the same for a seamless completion of digital fund transfers / payments.
- Consumers should keep themselves updated on the various amendments made in the arena of digital economy.
- Consumers should beware of phishing and must not share any personal and financial information in any unsecured website or to any spam mails or to any unauthorised calls.

13. Conclusion

The innovation of information and communication technology and modernization of digital landscape play a vital role in the evolution of digital payment systems. There is a magnificent transformation from conventional cash payment to contemporary digital payment systems. Digital revolution has stipulated an easy path to go for digital payments. With technology development, many FinTech companies have been established to expand, enhance and enable instant and secured digital transactions. This will certainly improve the value and increase the volume of digital transactions in the forthcoming years. Amplifying the adoption of digital payment systems will subsequently curb the flow of black money, parallel economy and illegal transactions and eventually helps to improve the accountability, leads to financial inclusion and boosts up the economic condition of the country (Source: The rise of digital payments in India – Barclays Report).

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