



RESEARCH ARTICLE – 9

AWARENESS OF DIGITAL PAYMENT SYSTEM AMONG PG STUDENTS: A STUDY

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ABSTRACT

The rapid advancement of digital technologies has significantly transformed the landscape of financial transactions, with digital payment systems gaining widespread adoption across various demographic segments. This study investigates the awareness and usage of digital payment systems among postgraduate (PG) students, focusing on their knowledge, preferences, and barriers to adoption. A structured questionnaire was adopted to a sample of PG students from K.L.E. Society's G. I. Bagewadi Arts, Science and Commerce College, Nipani Karnataka and different disciplines, aiming to assess their familiarity with various digital payment platforms such as UPI (Unified Payments Interface), mobile wallets, and online banking services. The study finding reveals that while a majority of PG students are aware of digital payment system. Convenience, speed, and safety are key drivers for using digital payments, a significant portion of respondents express discomfort with high-value transactions. Furthermore, the varied reasons for using digital payments reflect a diverse range of user needs, from convenience to discounts and better record-keeping.

Keywords: *Digital Payments, UPI, Mobile Apps, Internet Banking, QR Code and POS.*

Introduction

In India Digital Payments have grown significantly in recent years due to the government initiatives, the rise in the commerce and increased use of internet and smart phones. The Digital Payment eradicates the requirement of physical infrastructure, paper work and manual handling. This helps business enterprises and financial institutions to reduce the cost of transaction. The motive behind digital payments in India is to promote a cashless, paperless and faceless economy. Digital Payments means the transactions which allows exchange of money between two parties using digital device or platform. This means both the payer and payee use electronic medium to exchange money.

Digital payments are increasingly becoming popular in India, with more people using mobile payments, online wallets, and other digital payment modes. The government wants to establish a "digitally empowered" economy that is "Faceless, Paperless, Cashless" as part of the "Digital India" campaign. The education sector is also adopting digital payments as a means of collecting fees, making transactions more efficient and convenient. The study examines awareness and adoption of digital payments among PG students. Primary and secondary sources are used to collect the data. Primary data is collected through questionnaire. The secondary data is collected through journals, magazines, etc.

Unified Payments Interface (UPI) is a technology that powers several bank accounts into a single mobile application, unifying several banking services, smooth fund routing, and merchant payments into one hood. The overall significance of UPI stems from the RBI's and the government's strong ambition and determination to develop a low-cost, easy, and secure digital payment system for the country's enormous population. The RBI and the NPCI have made remarkable efforts to spread the culture of digital payments. Due simplicity, no costs involvement and other reasons the number of UPI transactions are increasing at a faster rate. The portion of young generation in general and students in particular is very significant in transacting through UPI Thirupathi & Akula (2022), Rai & Sharma (2019) and Ghazi & Shaikh (2023).

Digital Payment System

- i. **Banking Cards:** Banking cards are widely used in India due to their enhanced security, convenience, and control compared to other payment methods.
- ii. **Unstructured Supplementary Service Data (USSD):** USSD was introduced to cater to areas in India with limited access to banking and internet facilities.
- iii. **Aadhaar Enabled Payment System (AEPS):** AEPS allows customers to use their Aadhaar-linked bank accounts to transfer funds between two Aadhaar-linked accounts.
- iv. **Unified Payment Interface (UPI):** UPI is a real-time payment system developed by NPCI, enabling seamless inter-bank transactions via mobile phones.
- v. **Mobile Wallets:** A mobile wallet is a digital version of a cash wallet, storing credit and debit card details on a mobile device for easy transactions.
- vi. **Internet Banking:** Internet banking enables customers to conduct financial transactions electronically through the internet.
- vii. **Mobile Banking:** Mobile banking allows customers to perform financial transactions via mobile devices, provided by banks or financial institutions.
- viii. **Micro ATMs:** Micro ATMs are portable devices that facilitate banking transactions such as cash deposits, withdrawals, and fund transfers using debit cards.

Objectives of the Study:

The main objectives of the study are as follows:

1. To know the primary reason for using digital payment systems.
2. To study the different digital payment methods.
3. To investigate the platforms for using digital payment systems.
4. To find out the benefits of using digital payment systems.
5. To know the impact of digital payment systems have made user-friendly & transactions more efficient.

Scope and limitation of the Study

The present study is limited to Post Graduate (PG) students from K.L.E. Society's G. I. Bagewadi Arts, Science and Commerce College, Nipani Karnataka and different disciplines MA, M.Sc & M.com on the subject of the awareness of digital payment system.

Research Methodology

The study used structured questionnaire tool to collect primary data and adopted simple random sampling method. The paper is based on primary and secondary data published in journals,

books and websites. Based on available literature and research material, the present paper gives clear picture regarding digital payment awareness among post graduate students.

Data Analysis and Interpretations

Table No.1 Distribution of Questionnaires

| Class | Questionnaires Distributed | Questionnaires Received |
|----------|----------------------------|-------------------------|
| MA-I | 10 | 08 |
| MA-II | 10 | 07 |
| MSc-I | 12 | 09 |
| MSc-II | 11 | 10 |
| M.Com-I | 24 | 22 |
| M.Com-II | 01 | 01 |
| Total | 68 | 57 |

The researcher distributed a total of 68 questionnaires across three sections: 20 in the MA section, 23 in the M.Sc section, and 25 in the M.Com section. Out of these, they received 57 completed questionnaires, with 15 responses from the MA section, 19 from the M.Sc section, and 23 from the M.Com section. This resulted in an overall response rate of 83.82%. The high overall response rate of 83.82% indicates successful data collection and suggests that the sample is representative of the surveyed population.

Table No. 2 Primary Reason for using Digital Payment

| Primary Reason | Respondents | Percentage (%) |
|-------------------------|-------------|----------------|
| Convenience | 28 | 49.13 |
| Security | 06 | 10.53 |
| Speed | 14 | 24.56 |
| Rewards | 05 | 8.77 |
| Ease of Use | 02 | 3.51 |
| Acceptance by Merchants | 01 | 1.75 |
| No specific reason | 01 | 1.75 |
| Total | 57 | 100 |

The table two shows that the majority of respondents (49.13%) prefer digital payment for convenience. Additionally, 24.56% respondents use digital payment for its speed, 10.53% respondents for security, and 8.77% respondents for rewards. A small portion, 1.75%, indicated no specific reason for their use of digital payment methods.

Table No. 3 Platforms for using Digital Payment

| Platforms | Respondents (n=57) | Percentage (%) |
|-------------|--------------------|----------------|
| Mobile Apps | 47 | 82.45 |

| | | |
|-------------------------|----|-------|
| Desktop/laptop websites | 31 | 54.38 |
| QR code scanning | 43 | 75.43 |
| In-store POS systems | 17 | 29.82 |
| Other | 03 | 5.26 |

**Multiple answers are permitted*

The table three highlights that a significant majority of respondents (82.45%) prefer using mobile apps for digital payments. QR code scanning is also widely used, with 75.43% of respondents adopting this method, while 54.38% make payments through desktop platforms. Additionally, 29.82% of respondents use POS systems, and 5.26% rely on other platforms for their digital transactions.

Table No.4 Frequency of using Digital Payment

| Frequency | Respondents | Percentage (%) |
|--------------|-------------|----------------|
| Frequently | 39 | 68.42 |
| Occasionally | 10 | 17.55 |
| Rarely | 07 | 12.28 |
| Never | 01 | 1.75 |
| Total | 57 | 100 |

The table four obviously shows that the majority of respondents 68.42% use digital payment frequently. Meanwhile, 17.55% respondents use it occasionally, and 12.28% of respondents report using it rarely. A small portion, 1.75%, indicated they never use digital payment.

Table No. 5 Use of Digital Payment Methods

| Digital Payment Methods | Respondents | Percentage (%) |
|-------------------------|-------------|----------------|
| Credit/Debit Cards | 47 | 82.46 |
| Mobile Wallets | 02 | 3.51 |
| Online Banking | 03 | 5.27 |
| AEPS | 01 | 1.75 |
| Others | 04 | 7.01 |
| Total | 57 | 100 |

The table five indicates that a large majority of respondents 82.46% prefer using credit or debit cards for payments. Additionally, 5.27% of respondents use online banking, 3.51% of respondents rely on mobile wallets, and 7.01% of respondents utilize other digital payment methods. Only a small fraction, 1.75% of respondents reported using the AEPS payment method.

Table No. 6 Benefits of using Digital Payment

| Benefits | Respondents (n=57) | Percentage (%) |
|----------------------------|--------------------|----------------|
| Convenience | 41 | 71.92 |
| Speed | 22 | 38.59 |
| Better record-keeping | 27 | 47.36 |
| Safety | 31 | 54.38 |
| Access to discounts/offers | 08 | 14.03 |

**Multiple answers are permitted*

The table six reveals that a majority of respondents (71.92%) find digital payment more convenient. Additionally, 54.38% and 47.36% of respondents use digital payment for enhanced safety and better record-keeping, respectively. Speed is a factor for 38.59% of respondents, while a smaller segment (14.03%) uses digital payment primarily to benefit from discounts and offers.

Table No.7 Comfortable of High-Value Transactions

| Comfortable | Respondents | Percentage (%) |
|--------------------|--------------------|-----------------------|
| Yes | 05 | 8.78 |
| No | 43 | 75.44 |
| Not Sure | 09 | 15.78 |
| Total | 57 | 100 |

The table indicates that a majority of respondents (75.44%) do not feel comfortable with high-value transactions through digital payment. Only a small percentage (8.78%) feel comfortable with such transactions, while 15.78% remain unsure about their comfort level regarding high-value digital payments.

Table No. 8 Digital Payment completely replace cash in the future

| Impact | Respondents | Percentage (%) |
|-------------------|--------------------|-----------------------|
| Strongly Agree | 03 | 5.27 |
| Agree | 15 | 26.32 |
| Uncertain | 17 | 29.83 |
| Disagree | 13 | 22.80 |
| Strongly Disagree | 09 | 15.78 |
| Total | 57 | 100 |

The table eight highlights that the largest portion of respondents (29.83%) are uncertain about cash being fully replaced by digital payments in the future. Meanwhile, 26.32% agree with this possibility, and 22.80% disagree. A smaller group, 15.78%, strongly opposes the idea of cash being replaced by digital payments in the future.

Table No.9 Impact of Digital Payment systems have made user-friendly

| Impact | Respondents | Percentage (%) |
|-------------------|--------------------|-----------------------|
| Strongly Agree | 45 | 78.95 |
| Agree | 05 | 8.77 |
| Uncertain | 02 | 3.51 |
| Disagree | 03 | 5.26 |
| Strongly Disagree | 02 | 3.51 |
| Total | 57 | 100 |

The table nine shows that a majority of respondents (78.95%) strongly agree that digital payment is user-friendly. Additionally, 8.77% agree, 5.26% are uncertain, and 3.51% disagree about its ease of use. Only 3.51% find digital payment not user-friendly, potentially due to a lack of information or other factors.

Table No.10 Impact on Digital Payment systems have made transactions more efficient

| Impact | Respondents | Percentage (%) |
|-------------------|--------------------|-----------------------|
| Strongly Agree | 37 | 64.92 |
| Agree | 09 | 15.79 |
| Uncertain | 03 | 5.26 |
| Disagree | 05 | 8.77 |
| Strongly Disagree | 03 | 5.26 |
| Total | 57 | 100 |

The table ten indicates that, out of 57 respondents, the majority (64.92%) strongly agree that digital payment has made transactions more efficient. 15.79% agree, while 8.77% disagree with the efficiency of digital payment transactions. Additionally, 5.26% are uncertain, and a small percentage strongly disagrees regarding the efficiency of digital payment transactions.

Findings and Conclusion

The study achieved a high response rate of 83.82%, with 57 out of 68 distributed questionnaires returned. This high response rate suggests that the sample is a good representation of the target population and that the data collection process was effective. The majority of respondents (49.13%) prefer digital payment for its convenience, the most popular mode of digital payment is mobile apps, with 82.45% of respondents choosing this method. 29.82% use POS systems, while 5.26% rely on other platforms for digital transactions. A significant majority (68.42%) use digital payments frequently, while 17.55% use them occasionally, and 12.28% use them rarely. 71.92% of respondents find digital payments convenient, and 54.38% and 47.36% use them for enhanced safety and better record-keeping. A majority (75.44%) of respondents feel uncomfortable with high-value digital transactions.

The findings from this study highlight the growing preference and adoption of digital payment methods in India, with mobile apps, QR code scanning, and credit/debit cards being the most popular choices. While convenience, speed, and safety are key drivers for using digital payments, a significant portion of respondents still express discomfort with high-value transactions. The results suggest that while digital payments are widely embraced, concerns around security and comfort with larger transactions remain. Furthermore, the varied reasons for using digital payments reflect a diverse range of user needs, from convenience to discounts and better record-keeping. The overall high response rate underscores the reliability of the data, which can inform future strategies for digital payment adoption and improvement.

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