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A STUDY ON IMPACT OF MOBILE PAYMENT WITH SPECIAL REFERENCE TO YOUTHS IN MADURAI

Dr. R. Thiyagu , Mr. Karthick Kumar , Dr. R. Sharmila
Professor, Student, Professor.
Management,
Sakthi Institute of Information and Management Studies Pollachi, Coimbatore, Tamil Nadu 642001

ABSTRACT
*The rapid advancement of digital infrastructure has transformed the financial landscape, making mobile payment applications a primary medium for transactions, especially among the youth. This study evaluates the adoption, usage patterns, preferences, and challenges associated with mobile payment applications among younger demographics. A sample of **122 respondents** was surveyed to assess key demographic variables including age, gender, educational qualification, occupation, and annual income alongside core transactional behaviours. The empirical findings reveal that convenience, speed, and enhanced user experience heavily drive mobile payment adoption. **Google Pay** emerged as the dominant application in this market segment. While high transaction frequencies and regular reliance on digital applications underscore strong digital integration, anxieties surrounding financial security – particularly transaction failures and unauthorized money deductions – remain a significant barrier. This study highlights that maximizing security protocols and refining customer support mechanisms are vital for financial technology institutions to sustain long-term youth loyalty.*

KEYWORDS: *Mobile Payments, Youth Behaviour, FinTech, Digital Transactions, Google Pay, Financial Security, Consumer Perception.*

INTRODUCTION

The global push toward digital economies have positioned the banking and financial technology (FinTech) sectors at the forefront of technological innovation. In India, the implementation of the Unified Payments Interface (UPI) has revolutionized peer-to-peer (P2P) and peer-to-merchant (P2M) fund transfers. Among the various consumer segments, the youth population serves as the primary driver of this cashless transition, owing to their technological adaptability, high smartphone penetration, and preference for instant gratification.

Mobile payment applications such as Google Pay, PhonePe, Paytm, and Amazon Pay have evolved past simple transaction utilities into complete financial ecosystems. These apps facilitate utility bill management, retail consumption, peer expense sharing, and immediate informal credits. Understanding what drives youth toward these platforms, how frequently they transact, and what systemic fears inhibit their experience is essential for developers, commercial banks, and policy regulators. This study outlines consumer behaviour metrics within this specific demographic to gauge the true operational impact of mobile payment applications.

REVIEW OF LITERATURE

- **Andreev et al. (2018)** investigated consumer adoption models in digital banking and concluded that perceived ease of use and structural security are twin pillars governing mobile wallet loyalty.
- **Ramesh and Kumar (2020)** analysed retail payment transitions and found that cash-back incentives act as an initial hook, but platform convenience keeps consumers retained long-term.
- **Sharma and Sharma (2021)** highlighted that the Indian youth demographic displays an incredibly low psychological inertia toward adopting new FinTech interfaces compared to older demographics.
- **Varma (2022)** explored the impact of UPI on daily micro-transactions, noting that transaction values between ₹100 and ₹500 grew exponentially following widespread QR code installations.
- **Gupta and Malhotra (2023)** observed that while digital payment channels lower transaction costs for commercial ecosystems, platform downtime heavily damages brand trust among younger users.
- **Subramanian (2024)** studied consumer perceptions of mobile wallet safety, emphasizing that real-time payment failure notifications significantly reduce transaction anxiety.
- **Das and Roy (2025)** validated that immediate customer support response times directly influence consumer retention rates within competitive digital payment spaces.

STATEMENT OF THE PROBLEM

Despite the widespread usage of mobile payment apps, FinTech companies face challenges related to platform stability, transaction security, and retaining consumers in a highly competitive market. Younger users switch apps frequently based on marginal benefits like transaction speed, interface quality, or cash-back promotions.
Additionally, the rise of digital financial fraud, phishing scams, and frequent network-driven transaction failures creates significant consumer anxiety. This study analyses how these dynamics interact by reviewing youth transaction behaviours, channel preferences, operational frequencies, and primary system anxieties.**Scope of the Study**

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The scope of this study is restricted to assessing user experiences, operational patterns, and perceptions related to mobile payment platforms. The primary data originates from a sample of **122 respondents**, analysing variables like demographic layout, application preference, usage motivations, frequency, transaction values, structural fears, and support satisfaction.

OBJECTIVES OF THE STUDY

- To examine the demographic profile of youth utilizing mobile payment apps.
- To identify the most preferred mobile payment applications and the underlying motivations for their selection.
- To evaluate transaction frequencies, average transaction values, and primary user anxieties within digital financial environments.
- To analysed user satisfaction regarding the customer support infrastructure of these payment platforms.

LIMITATIONS OF THE STUDY

- The empirical analysis relies exclusively on primary data collected from a limited sample size of **122 respondents**.
- The findings are subject to geographic and behavioural biases inherent to the selected sample domain.
- The study focuses primarily on the youth demographic, meaning the results may not apply to older consumer generations.

RESEARCH METHODOLOGY

This exploratory and descriptive research design evaluates consumer patterns through primary data collected via structured questionnaires.

Sample Size: 122 valid respondents.

- **Data Source:** Primary data directly sourced from respondents, supplemented by secondary data from relevant financial journals.
- **Analytical Tools:** Tabular representation, simple percentage analysis, and descriptive narrative interpretation

ANALYSIS AND INTERPRETATION

1. Demographic Profile: Age Distribution

Understanding the age configuration of the sample helps contextualize the adoption readiness of youth sub-categories.

$$Percentage = \frac {Respondents}{Total\ Sample\ (122)} \times 100$$

Table 4.1.1: Age of the Respondents

Age	Respondents	Percentage
15 - 18 Years	7	5.7%
19 - 25 Years	47	38.5%
26 - 30 Years	37	30.3%
31 - 35 Years	31	25.4%
TOTAL	122	100.0%

Interpretation: The data shows that 5.7% of the respondents fall under the 15–18 age bracket, 38.5% belong to the 19–25 category, 30.3% are between 26–30, and 25.4% are between 31–35.

Inference:

Majority (38.5%) of the respondents are aged between 19 to 25 years, representing the core undergraduate and early career-entry youth market.

2. Demographic Profile: Gender Representation

Gender balance assessment determines whether access or behaviour patterns vary between demographics.

Table 4.1.2: Gender of the Respondents

Gender	Respondents	Percentage
Male	62	50.8%
Female	60	49.2%
TOTAL	122	100.0%
Source: Primary Data		

Interpretation: The distribution shows that male respondents account for 50.8% (62 individuals) of the total sample, while female respondents make up 49.2% (60 individuals).

Inference

Majority (50.8%) of the surveyed respondents are male, reflecting an evenly split sample with near-equal representation between genders.

3. Demographic Profile: Educational Qualification

Educational background indicates the sample's financial and digital literacy levels.

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Table 4.1.3: Educational Qualification of the Respondents

Educational Level	Respondents	Percentage
School Level	9	7.4%
Undergraduate	56	45.9%
Postgraduate	25	20.5%
Professional degree	32	26.2%
TOTAL	122	100.0%
Source: Primary Data		

Interpretation: School-level educated individuals make up 7.4% of the sample, undergraduates form the largest group at 45.9%, postgraduates account for 20.5%, and those holding professional degrees comprise 26.2%.

Inference
Majority (45.9%) of the respondents are Undergraduates, indicating a highly literate sample capable of easily adopting smartphone applications.

4. Demographic Profile: Occupational Status
Occupational profiles show the varied socio-economic backgrounds and use cases of the respondents.

Table 4.1.4: Occupation of the Respondents

Occupation	Respondents	Percentage
Salaried Employee	33	27.0%
Self-employed / Business / Professional	35	28.7%
Daily Wage Worker	14	11.5%
Student (Higher Education)	26	21.3%
Home Maker	11	9.0%
Studying School	1	0.8%
Retired Person	1	0.8%
Unemployed / No Work	1	0.8%
TOTAL	**122**	**100.0%**
Source: Primary Data		

Interpretation: The data indicates that 27.0% of respondents are salaried employees, 28.7% are self-employed or professionals, 21.3% are higher education students, and 11.5% are daily wage workers. Homemakers constitute 9.0%, while school students, retired individuals, and unemployed respondents each account for 0.8%.

Inference
Majority (28.7%) of the respondents are Self-employed or Professionals, closely followed by salaried employees and students. This shows substantial representation from young, economically active groups.

5. Demographic Profile: Annual Income
Income levels directly dictate liquid funds available for transaction volume via mobile payment channels.

Table 4.1.5: Annual Income of the Respondents

Income Range	Respondents	Percentage
Up to ₹1 Lakh	65	53.3%
₹1 - ₹5 Lakhs	29	23.8%
Above ₹5 Lakhs	28	23.0%
TOTAL	**122**	**100.0%**
Source: Primary Data		

Interpretation: Of the total surveyed population, 53.3% earn an annual income up to ₹1 Lakh, 23.8% earn between ₹1–5 Lakhs, and 23.0% earn above ₹5 Lakhs.

Inference:
Majority (53.3%) of the respondents have an annual income of Up to ₹1 Lakh, matching the high percentage of students and early career-stage individuals within the sample.

6. App Preferences and Behavioural Drivers
This section looks at user platform preferences and the features that drive adoption.

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Table 4.1.6: Preferred Payment Application for Bills & Utilities

Payment App	Respondents	Percentage
Paytm	15	12.3%
Google Pay	67	54.9%
PhonePe	23	18.9%
Amazon Pay	13	10.7%
BHIM	4	3.3%
TOTAL	**122**	**100.0%**
Source: Primary Data		

Interpretation: Google Pay is the most popular choice with 54.9% user preference. PhonePe follows at 18.9%, Paytm at 12.3%, Amazon Pay at 10.7%, and BHIM at 3.3%.

Inference

Majority (54.9%) of the respondents prefer Google Pay for managing bill payments and utility transactions, highlighting its strong brand equity among youth.

Table 4.1.7: Core Motivations for App Preference

Primary Driver	Respondents	Percentage
Convenience	38	31.1%
Cashback & Rewards	30	24.6%
Multiple Payment Options	34	27.9%
Better User Experience (UX)	17	13.3%
Lack of Cash in Hand	3	2.5%
TOTAL	122	100.0%

Interpretation: Convenience is the primary driver for 31.1% of respondents. Multiple payment choices motivate 27.9%, cashback incentives drive 24.6%, better user experience accounts for 13.3%, and immediate cash shortages explain 2.5%.

Inference

Majority (31.1%) of the respondents select their preferred application based on Convenience, closely followed by platform utility features like multiple payment options and cashback systems.

7. Transaction Dynamics and Intent Analysis

This section analyses the purpose, frequency, and monetary values of transactions managed by youth users.

Table 4.1.8: Intention Behind Peer-to-Peer Fund Transfers

Intent Category	Respondents	Percentage
Expense Sharing	27	22.1%
Rent Transfer	28	23.0%
Informal Credit Settlement	22	18.0%
Sending to Family / Friends	45	36.9%
TOTAL	122	100.0%
Source: Primary Data		

Interpretation: Sending money directly to family and friends represents 36.9% of transfer intents. Rent transfers account for 23.0%, peer expense-sharing makes up 22.1%, and informal credits represent 18.0%.

Inference:

Majority (36.9%) of the respondents use peer transfers for Sending money to Family / Friends, showing that mobile platforms are widely used for maintaining personal and family support networks.

Table 4.1.9: Specific Services Paid via Apps

Target Service Utilities	Respondents	Percentage
Electricity Bill	13	10.7%
Prepaid Mobile Recharges	46	37.7%
Postpaid Bills	15	12.3%
Insurance Premiums	26	21.3%
Supermarket Purchases	15	12.3%
Petrol Bunks	3	2.5%
All-Purpose Utility Usage	2	1.6%
Home Loan EMI	1	0.8%
None	1	0.8%
TOTAL	122	100.0%
Source: Primary Data		

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Interpretation: Prepaid mobile recharges account for 37.7% of platform use. Insurance premiums take up 21.3%, while postpaid bills and supermarket checkouts each account for 12.3%. Electricity bills represent 10.7%, petrol bunks make up 2.5%, and miscellaneous functions cover the remainder.

Inference

Majority (37.7%) of respondents use these applications for Prepaid Mobile Recharges, showing that mobile apps are highly integrated into daily high-frequency utility management.

8. USER PERCEPTIONS, FREQUENCY, VALUES, FEARS, AND SUPPORT SYSTEMS

Perceptual Trends

Primary data observations indicate that youth consumers highly value features like consistent internet access, payment safety, intuitive user design, and skipping physical bank branch visits. These elements are key drivers behind the widespread adoption of digital transaction systems.

Daily Transaction Frequency

- **3-5 Times Daily:** 36.1% of respondents.
- **1-2 Times Daily:** 33.6% of respondents.
- **Rare / Occasional Use:** 13.1% of respondents.

Inference: Over 69% of surveyed youths engage with mobile payment applications daily, demonstrating high adoption and dependency on digital payment options over cash.

Average Transaction Value

- **₹100 - ₹500 Range:** 37.7% of respondents.
- **₹500 - ₹2,000 Range:** 30.3% of respondents.
- **Below ₹100 Range:** 9.0% of respondents.

Inference: Youth primarily use mobile apps for moderate-value daily spending, showing that digital cash options have successfully integrated into routine consumer choices.

Primary Structural Anxieties

- **Unexpected Money Deduction Failures:** 62.3% of respondents.
- **Data Identity Theft / Phishing:** 27.9% of respondents.
- **Physical Smartphone Loss / Theft:** 9.8% of respondents.

Inference: Financial transaction security is the single biggest consumer concern. Users want secure backend infrastructure to protect against erroneous or failed financial deductions.

Customer Support Performance Analysis (Total Valid Responses = 121)

- **Excellent Rating:** 52.9% of respondents.
- **Average Rating:** 39.7% of respondents.
- **Poor Rating:** 7.4% of respondents.

Inference: While more than half of the user base rates customer support as Excellent, nearly 40% consider it Average. This leaves clear room to improve dispute-handling speed and conversational interfaces to boost overall satisfaction.

FINDINGS

- **Dominant Age Group:** The core user segment consists of individuals aged 19–25 (**38.5%**), who are highly comfortable with digital technology interfaces.
- **Market Share Concentration: Google Pay** is the most preferred application (**54.9%**), followed by PhonePe (**18.9%**).
- **Primary Motivation:** Platform convenience (**31.1%**) and handling multiple payment methods (**27.9%**) outweigh cashback rewards as long-term retention factors.
- **Transaction Profile:** Most daily use centres around prepaid mobile recharges (**37.7%**), with average individual transaction tickets landing between ₹100 and ₹500 (**37.7%**).
- **Key Friction Point:** System technical failures, such as unexpected money deductions during bank timeouts (**62.3%**), remain the biggest source of user anxiety.

SUGGESTIONS

- **Improve Security Infrastructure:** FinTech institutions should update payment architecture to prevent accounts from being debited during bank-side communication delays.
- **Refine Customer Service Systems:** Since **39.7%** of users rate customer service as merely average, apps should offer real-time automated chat support to resolve stuck transfers quickly.
- **Optimize App Interfaces for Varied Networks:** Platforms should improve app performance under low-bandwidth networks to keep daily transactions reliable across all locations.
- **Expand Practical Rewards:** Moving from randomized scratch cards to useful financial perks, like bill discounts, can improve user engagement across all income brackets.

CONCLUSION

This study shows that mobile payment apps have moved past simple convenience to become essential daily tools for today's youth. With over two-thirds of respondents using these apps daily—mostly for moderate transactions between ₹100 and ₹500—the trend toward a cashless economy is clear. **Google Pay** holds a strong position in this market segment due to its convenient user interface.

However, to maintain this high engagement, developers and financial institutions must address the system's biggest challenge: user anxiety over transaction safety and unintended money deductions. Resolving these technical vulnerabilities and improving average customer service.

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