

A STUDY ON THE GROWTH AND TRENDS IN DIGITAL PAYMENT PLATFORMS AMONG UNIVERSITY STUDENTS IN PUNE

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Abstract

This paper looks at the levels of awareness, adoption, usage and security perception of digital payment platforms on university students in Pune, India. The research design was a quantitative descriptive study which involved the use of primary data which was gathered using a structured questionnaire among 115 undergraduate and postgraduate students. The data were carried on analysis by use of Microsoft Excel employing descriptive statistics, cross-tabulation, and Pearson correlation.

The results suggest that college students are very familiar with and frequently use online payment methods, and Google Pay is most popular. Online shopping by the students is mostly carried out through digital payments by an undergraduate student as compared to postgraduate students, though the latter vary in their spending, embracing food-related shopping, subscriptions, transport, and peer-to-peer transactions. Digital payments have become highly used despite the fear of failure of transactions, cyber fraud, and internet instability because of the convenience that they provide.

The correlation analysis indicates a weak negative association between the trust and usage frequency ($r = -0.198$) which indicates that the convenience factor has a stronger effect as compared to the security perceptions. The paper identifies the necessity to increase digital financial literacy, cybersecurity awareness, and infrastructure to make sure they are used responsibly.

Keywords: Digital Payments, Unified Payments Interface (UPI), Digital Financial Literacy, Usage Behavior, Student Awareness

1. Introduction

Digital Technologies expanded rapidly and radically changed our reality within the Financial Sector in India through smartphones, innovations, and development programs like Digital India (Press Information Bureau, 2024). The creation of a unified payments interface by NRCPI (National Payments Corporation of India, 2023) has created a more secure method of transferring funds, speeding up the payment process, and contributing to financial inclusion (NPCI, 2023). University students constitute one of the largest segments of digital consumers or users due to their high levels of digital literacy and activity on various online platforms (Kaur & Mehta, 2023) (Singh & Tyagi, 2024) (Dev, Gupta, Dharmavaram, & Kumar, 2024). While various historical, cultural, and socio-political factors such as cybersecurity or fraud, privacy concerns, transaction failures, and overspending have been identified as barriers for students when it comes to effectively using digital payments (Iyer & Christian, 2022) (Dev, Gupta, Dharmavaram, & Kumar, 2024), other issues related to lack of access to adequate financial infrastructure or financing for digital transactions as a result of financial illiteracy will affect equal access to digital payment systems throughout the targeted participant locations (Vani & Agarwal, 2025) (Charan, 2024). Therefore, this study will examine the awareness, use behaviours, and perceived trustworthiness and security of students in Pune related to digital payment systems (Patel & Johsi, 2023), (Gupta & Rani, 2023) (Tyagi, 2024) (Choudhury & Bansal, 2023) (Menon & Prasad, 2024) (Raghavan, 2023).

2. Statement of the Problem

Online payment systems are becoming very common in India and with the university students in particular, because it is convenient, easily accessible and convenient. Nevertheless, it is faced by challenges including cybersecurity issues, transaction problems, and trust deficits.

The awareness difference, usage behaviour difference, and financial literacy difference between the undergraduate students and the postgraduate students could also affect adoption. Thus, there is a need to study the awareness, usage and perception of trust of digital payment system among Pune students.

3. Objectives and Hypothesis of the Study

The objectives of the study are as follows:

1. To compare the awareness and adoption of digital payments among undergraduate and postgraduate students in Pune.
2. To examine the frequency and purposes of digital payment use (fees, food services, transportation, shopping).
3. To analyse students' perspectives of security and trust on various digital payment systems.

The hypotheses of the study are as follows:

- H1: There is a significant difference in the awareness and adoption of digital payment platforms between undergraduate and postgraduate students in Pune.
- H2: The frequency of digital payment usage among university students significantly varies with the purpose of transaction.
- H3: Students' perception of security and trust has a significant impact on their willingness to use digital payment systems.

4. Research Methodology

Research methodology can be described as the systematic method used in addressing research problem. The current research is founded on primary and secondary data. The primary data were collected using a structured questionnaire that was given to the university students at Pune whereas secondary data were taken through journals, reports and other online sources concerning digital payments.

Purposive sampling was used to select 115 respondents. The data collected was coded, tabulated and analysed through the application of the statistical tools including descriptive analysis, cross-tabulation and correlation.

4.1 Tools Used for Data Collection

- Percentage Analysis
- Cross-tabulation (Pivot Table)
- Pearson Correlation

4.2 Limitations of the Study

- The sample size is also small and restricted to 115 respondents, and might not be an indicator of the whole population.
- Pune is the only city that the study is limited to and may not be representative to the rest of the regions.
- The answers are made through self-reported data, which might comprise bias.

4.3 Scope of Study

The paper offers an understanding of how students are aware, adopt and use digital payment platforms. It also brings out problems related to trust, security and user behavior.

The results can be used by digital payment providers and policymakers to enhance the quality of services, enhance the level of security, and advance financial literacy levels among students. In the fast changing digitalized economy, it is necessary to understand the customer behaviors to enhance efficiency and customer satisfaction.

5. Review of Literature

(Barodawala, 2025), (Diganta Kumar Mudoi, 2025), (Ravi Chavan, 2025), (Parul, 2024), (Nayyar, 2025), (Jose, 2025), (Prof Kavitha A Karkera, 2024) and (Usmani, 2025) noted the fast development of online payment systems among the students body in India universities. Their research indicates that UPI-based platforms received a common student financial activity owing to the growing level of smartphone use, digital literacy and technological exposure.

(Mitali Mohta, 2024) , (Megha Balu, 2024) and (Akash Prajapati, 2023) discovered convenience, ease of use, accessibility, and speed of transaction to be the most influential antecedents in the adoption. Usage among students is also encouraged by the influence of social and a good user experience.

The issues practiced by (Nayyar, 2025) , (Jose, 2025) , (Krishnamurthy B N, 2024) , and (Intan Aprilia, 2023) include cybersecurity risks, fraud, privacy issues and behavioral issues of impulsive spending concerning digital payments.

Importance of trust and security was stressed by (Pooja Gupta, 2022) , (Beheri, 2025) , (Mr.S.Muruganatham, 2025) , (Aya Aljaradat, 2025) and (Khando Khando, 2023) pointed to the limitation of wider adoption by infrastructural and financial literacy factors.

6. Overview of Topic

Digital payment system can be defined as the use of electronic means of carrying out financial transactions instead of cash based on such tools as UPI, mobile wallets, and online banking. As more people start using smartphones and becoming dig-italy literate and in particular, students in India are finding digital payments an easy, quick, and necessary component of their daily financial en-gagements which facilitate the transition to a cashless economy.

7. Data Analysis and Interpretation

Table 1. Awareness and Adoption of Digital Payment Platforms (H1)

Awareness Digital Platforms	No. of Respondents	Percentage
Google Pay	71	61.7
UPI	14	12.2
PhonePe	13	11.3
Paytm	10	8.7
Apple Pay	3	2.6
PayPal	1	0.9
Wafi	1	0.9
Mastercard	1	0.9
Total	114	100

Level of Study	Google Pay	UPI	PhonePe	Paytm	Apple Pay	PayPal	Wafi	Mastercard
Postgraduate	41	8	5	7	1	1	1	1
Undergraduate	30	6	9	3	0	0	0	0

Source: Primary Data

Based on table 1 above, it is processed that the most common digital payment platform among the respondents is Google Pay (61.7%). Awareness levels of both undergraduate and postgraduate students do not vary significantly with a noticeable difference.

As such, H1 is rejected, and it means that no significant difference in the awareness and adoption of UG and PG students exists.

Table 2. Purpose of Digital Payment Usage (H2)

Level of Study / Purpose	No. of Respondents
Undergraduate	
Online Shopping	30
Food / Cafeteria	7
Subscriptions	5
Transportation	7
Peer-to-peer Transfers	1
Academic Fees	4
Total	54
Postgraduate	
Online Shopping	11
Food / Cafeteria	14
Subscriptions	11
Transportation	8
Peer-to-peer Transfers	10
Academic Fees	1
Total	56

Source: Primary Data

According to the foregoing table 2, it is observed that undergraduate students largely make use of digital payments in buying online items, but postgraduate students utilize it in a broader scope, which includes food items, subscriptions, transport, as well as peer transfers.

Therefore, H2 is accepted, which means that the meaning of the use of digital payment is different among UG and PG students.

Table 3. Correlation between Trust and Frequency of Usage (H3)

Frequency (Numeric)	Trust (Likert Scale)
Rarely = 1	Strongly Disagree = 1
Monthly = 2	Disagree = 2
Weekly = 3	Neutral = 3
Several times a week = 4	Agree = 4
Daily = 5	Strongly Agree = 5

Value	Result
Pearson Correlation (r)	-0.198

Source: Primary Data

As above table 3 is analyzed, the value of correlation (-0.198) shows that there is a weak negative relationship between the trust and the frequency of using digital payments. This demonstrates that students still rely on digital payment platforms when the trust levels are lower.

Thus, H3 is rejected, which means that trust does not have a significant effect on the frequency of using digital payment.

8. Findings

- University students in Pune are found to use digital payments extensively and they are now part of their daily financial transactions in the study.
- Google Pay is the most frequently used platform by the undergraduate and postgraduate students, and less often are used PhonePe, Paytm, UPI applications, and Apple Pay.
- Even though the level of adoption is similar between university graduate and post-graduate students, the purpose of use is different. Digital payments are primarily used by UG students to shop online and consume products on the Internet, whereas the main use of digital payments is diversified in terms of food payment, subscriptions, transportation, and peer-to-peer transfer by the students of the PG.
- The analysis revealed weak negative relationship between the trust and frequency of use ($r = -0.198$) indicating that the convenience and accessibility have more impact on the usage rather than the perceptions of trust.
- Economics is also at play, since more than 85% of those who are surveyed said that they were provided with pocket money of more than 5,000 monthly, which is a motivator to digital transactions.
- Even though students mentioned that they are worried about cyber fraud, failure to make transactions, and internet connection, these factors do not threaten the overall digital payment usage greatly.

9. Suggestions

- Universities can encourage the use of digital payments by providing students with digital financial literacy workshops and awareness campaigns so that they can be able to use digital payments safely and responsibly.
- Additionally, a company in the fintech sector needs to improve the security system including encryption and multi-factor authentication to develop user trust.
- To facilitate the adequate transference of digital transactions, proper internet infrastructure is to be enhanced, particularly in semi-urban and rural regions.
- Students need to be advised to spend responsibly and be precise of scams and frauds on the internet.
- The digital payment platforms must be easy to use by simplifying the interface to enhance accessibility to all categories of users.
- Cashbacks and other rewards should be used as an incentive to encourage students to use digital means of payment more often.
- Customer support services need to be enhanced to ensure that transaction failures and technical problems are solved in time.
- Cooperation between universities and the digital payment providers will facilitate secure and convenient payment systems among students.

10. Conclusion

The paper gives a clear insight into the adoption, use behaviour and perceptions of digital payment among university students in Pune. The results show that the digital payments have already become a necessary aspect of the everyday financial life of students, primarily due to the convenience, the simplicity of use and the accessibility. Google Pay platforms are dominating the usage with the other UPI-based applications being widely used. Even

though the degree of trust in digital systems among the students is moderate, the frequent use implies that the notion of convenience usually prevails over security and privacy concerns.

The research also points at the discrepancy in the usage patterns of the undergraduate and postgraduate students that depend on the financial ability and lifestyle necessity. Nevertheless, the failure of transactions, internet connectivity and excessive spending are still major problems. On the whole, the study is able to conclude that the digital payment systems are important to influence student financial behaviour, and the further enhancement of digital literacy, security, and infrastructure is critical to the sustainable and responsible use.

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