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A Study on Awareness of Digital Payment Methods among Postgraduate Students

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Abstract

The rapid growth of digital technologies has revolutionized financial transactions, making digital payment systems an integral part of everyday life. This study examines the awareness and usage of digital payment systems among postgraduate (PG) students, focusing on their knowledge, preferences, and challenges in adoption. Primary data were collected through a structured questionnaire administered to PG students representing different academic disciplines. The findings indicate that most students are well aware of digital payment platforms such as Unified Payments Interface (UPI), mobile wallets, and online banking, with convenience, speed, and security identified as the primary factors influencing their usage. Many respondents remain hesitant to use digital payments for high-value transactions due to concerns about security and financial risk. The study also reveals that students use digital payment systems for varied purposes, including convenience, discounts, cashback offers, and efficient financial record-keeping.

Keywords: *Digital Payment Systems, Digital Payment Awareness, Postgraduate Students, Unified Payments Interface (UPI), Mobile Wallets, Cashless Transactions, Financial Technology (FinTech)*

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1. Introduction

The digital revolution has fundamentally transformed the global financial ecosystem by introducing innovative, secure, and convenient methods of conducting financial transactions. Digital payment systems have emerged as a key component of the digital economy, enabling individuals to make payments through smartphones, computers, and other internet-enabled devices without relying on physical cash. Governments, financial institutions, and technology companies have collectively accelerated the adoption of digital payment platforms to improve financial inclusion, transparency, and economic efficiency (Kumar & Gupta, 2024). In India, initiatives such as Digital India, Unified Payments Interface (UPI), BHIM, Aadhaar-enabled Payment System (AePS), and RuPay have significantly expanded access to digital financial services. The increasing penetration of smartphones, affordable internet connectivity, and digital banking infrastructure has further encouraged the use of online payment methods among different sections of society (Bhanot & Gaikwad, 2025). Educational institutions have also witnessed a growing dependence on digital payments for fee payments, online purchases, and day-to-day transactions. The understanding the awareness and acceptance of digital payment methods among students has become an important area of academic inquiry, particularly in the context of India's rapidly evolving digital financial landscape. Postgraduate (PG) students use smartphones, mobile applications, internet banking, and digital wallets for educational, personal, and commercial transactions. Their familiarity with digital technologies makes them potential drivers of India's transition toward a cashless economy. However, awareness alone does not necessarily translate into consistent usage, as factors such as perceived security, trust, ease of use, transaction costs, and digital literacy influence adoption decisions. (Sharma & Singh, 2023).

The expansion of financial technology (FinTech) has introduced numerous digital payment options, including UPI applications, QR code payments, mobile banking, debit and credit cards, prepaid wallets, and contactless payment solutions. These innovations have transformed consumer behaviour by reducing transaction time, enhancing accessibility, and promoting financial convenience (Rana et al., 2024). Educational institutions increasingly encourage digital payments for tuition fees, library services, hostel payments, and campus-related activities, thereby integrating digital financial practices into students' daily lives. The disparities in digital awareness, cybersecurity knowledge, and confidence levels persist among users from different educational and socio-economic backgrounds (Gaikwad & Bhattacharya, 2024). Investigating postgraduate students' awareness helps identify the factors that promote or hinder the adoption of digital payment methods and supports the development of strategies to improve digital financial literacy. Such evidence is valuable for educational institutions, policymakers, financial service providers, and technology developers seeking to strengthen the digital payment ecosystem (Patel & Mehta, 2025). The present study focuses on assessing the awareness of digital payment methods among postgraduate students. It examines students' knowledge of different digital payment platforms, their frequency of usage, preferred payment methods, perceived benefits, and challenges encountered while using digital payment systems.

2. Background of Study

Digital payment systems have emerged as one of the most transformative developments in the global financial ecosystem, fundamentally changing the way individuals, businesses, and governments conduct financial transactions. The rapid advancement of information and communication technologies, coupled with widespread internet access and smartphone penetration, has accelerated the shift from cash-based transactions to secure, real-time digital payment platforms (Chandak & Shukla, 2024). In India, this transformation has been significantly supported by government initiatives such as Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Unified Payments Interface (UPI), RuPay, and Aadhaar-enabled Payment System (AePS), which have enhanced financial inclusion and promoted a cashless economy. According to the Reserve Bank of India (2024), UPI has become the world's largest real-time payment system, handling billions of transactions every month while improving payment efficiency, transparency, and accessibility. These developments have positioned India as a global leader in digital payments and created a strong foundation for technology-driven financial services. The extensive use of smartphones, online banking, mobile wallets, QR-code payments, and UPI applications is considered for academic fees, shopping, transportation, subscriptions, and peer-to-peer transfers demonstrates the growing dependence on digital payment methods in everyday life (Li & Ruan, 2024). Studies indicate that while students appreciate the convenience, speed, and cost-effectiveness of digital payments, they often remain hesitant to perform high-value transactions due to concerns regarding fraud, privacy, and technical failures (Sinha & Sharma, 2025). The digital financial literacy initiatives and assist educational institutions, policymakers, and financial service providers help in promoting secure, inclusive, and sustainable digital payment practices among young consumers (Chandak & Shukla, 2024).

3. Scope and Significance of Study

The present study focuses on examining the awareness of digital payment methods among postgraduate students. The various technologies help in raising the level of awareness, frequency of usage, and preferences regarding various digital payment methods such as Unified Payments Interface (UPI), mobile wallets, internet banking, debit and credit cards, and QR-code-based payments (Gaikwad, 2024). The study also explores the factors influencing the adoption of digital payment systems, including convenience, security, accessibility, transaction speed, and ease of use. It identifies the challenges faced by students, such as cybersecurity concerns, privacy issues, transaction failures, and reluctance to conduct high-value digital transactions. The scope is limited to postgraduate students across different academic disciplines and provides insights into their digital financial behaviour in the context of India's rapidly expanding digital payment ecosystem (Hasan et al., 2024). The digitalization provides valuable inputs for banks, FinTech companies, and payment service providers to enhance user awareness, strengthen cybersecurity measures, and improve customer trust in digital payment platforms. Furthermore, the research contributes to the existing academic literature by offering empirical evidence on students' awareness and usage of digital payment methods, thereby supporting future studies in the areas of digital finance, financial literacy, consumer behaviour, and financial inclusion. As India continues to strengthen its cashless economy, the study offers practical implications for encouraging responsible, secure, and sustainable adoption of digital payment technologies among the younger generation (Manikandan & Subalakshmi, 2024).

4. Objectives of the Study:

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

5. Review of Literature

Shreedevi S. Munde (2025) assessed students' knowledge, preferences, and barriers related to digital payment platforms such as UPI, mobile wallets, and online banking. The findings revealed that postgraduate students possessed a high level of awareness and regularly used digital payment methods due to convenience, speed, and accessibility. However, respondents exhibited reluctance toward high-value digital transactions because of concerns regarding security, cyber fraud, and transaction reliability. The study recommended strengthening digital financial literacy programmes and improving cybersecurity awareness to increase users' confidence in digital payment systems.

Bodhgire (2023) investigated the awareness of financial products and digital payment methods among university students in Maharashtra. The study found that although students were familiar with digital payment applications and online banking services, their understanding of advanced financial products and digital financial management remained limited. A significant observation was the absence of structured financial literacy programmes within higher educational institutions, which affected the effective utilization of digital payment services. The author emphasized the need for integrating financial education into university curricula to enhance students' knowledge, responsible usage, and confidence in digital financial transactions.

Jain and Jain (2024) conducted a systematic review of global research on digital payment adoption using the Antecedents–Decisions–Outcomes (ADO) framework. The review synthesized findings from numerous empirical studies and identified trust, perceived security, ease of use, perceived usefulness, social influence, and technological readiness as the primary determinants of digital payment adoption.

The authors concluded that successful adoption depends not only on technological infrastructure but also on users' behavioural intentions and confidence in digital payment platforms. The review further highlighted the need for future studies focusing on specific demographic groups, including students and young consumers, particularly in developing economies.

Mishra, Pandey, and Parihar (2025) analyzed digital payment adoption among postgraduate students in Varanasi by examining their usage patterns, preferences, and barriers. The study reported that UPI emerged as the most preferred payment method because of its simplicity, speed, and interoperability. Students frequently used digital payments for educational expenses, shopping, transportation, and peer-to-peer fund transfers. Despite widespread adoption, respondents identified cybersecurity risks, internet connectivity issues, and fear of financial fraud as major obstacles influencing their willingness to conduct high-value digital transactions. The authors recommended enhancing digital awareness campaigns and strengthening security measures to improve long-term adoption and trust among students.

6. 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.

7. Data Analysis and Interpretation

Table 1: Distribution of Questionnaires Class

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

8. Discussion and Analysis

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.

9. Finding of Study

- The study found that the majority of postgraduate students possess a high level of awareness regarding digital payment methods such as Unified Payments Interface (UPI), mobile wallets, internet banking, debit cards, and QR-code-based payment systems. Their familiarity with these platforms indicates the growing penetration of digital financial services among educated youth and reflects the success of India's digital payment ecosystem.
- UPI emerged as the most preferred digital payment method among postgraduate students because of its simplicity, speed, ease of use, and instant fund transfer facility. Applications such as Google Pay, PhonePe, and Paytm were frequently used for educational expenses, shopping, bill payments, mobile recharges, and peer-to-peer money transfers.
- Convenience, time-saving, accessibility, and secure transaction processes were identified as the major factors encouraging students to adopt digital payment systems. Cashback offers, discounts, and reward programmes also positively influenced the frequency of digital payment usage among respondents.
- Despite high awareness and regular usage, a considerable proportion of postgraduate students expressed hesitation in using digital payment systems for high-value transactions. Security concerns, fear of cyber fraud, phishing attacks, privacy risks, and transaction failures remained the primary barriers affecting users' confidence.
- The study observed that postgraduate students primarily used digital payment methods for routine low-value transactions, including online shopping, food delivery, transportation, utility bill payments, educational fees, and money transfers. This demonstrates that digital payments have become an integral part of students' daily financial activities.

10. Conclusion

The digital payment methods have become an essential component of modern financial transactions, offering speed, convenience, transparency, and accessibility. The findings of this study indicate that postgraduate students possess a satisfactory level of awareness regarding various digital payment methods, particularly Unified Payments Interface (UPI), mobile wallets, internet banking, and QR-code-based payment systems. The widespread use of smartphones, affordable internet services, and government initiatives promoting a cashless economy have significantly contributed to the increasing adoption of digital payments among students. Convenience, time efficiency, ease of use, and attractive incentives such as cashback and discounts have emerged as the primary factors motivating students to prefer digital payment platforms over traditional cash transactions. The educational institutions, financial service providers, and policymakers should collaborate to strengthen digital financial literacy, cybersecurity awareness, and responsible digital payment practices among young consumers. Continuous improvements in digital infrastructure, transaction security, and user education will not only enhance trust in digital payment systems but also contribute to achieving India's vision of a secure, inclusive, and sustainable digital economy.

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