Vol 8, Issue 3, 2025 **Impact Factor: 8.535** DOI: https://doi.org/10.31426/ijamsr.2025.8.3.8132

IJAMSR

International Journal of
Advanced Multidisciplinary Scientific Research (IJAMSR) ISSN:2581-4281

Adoption of Digital Mobile Payment Systems Among Youth in Hyderabad: A Descriptive Analysis of Usage Patterns and Challenges

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ABSTRACT

The use of digital mobile payment methods among young people in Hyderabad is explored in this descriptive research study. One hundred people from Hyderabad and one hundred from the neighboring areas made up the total number of responders. In order to strengthen the study, we gathered primary and secondary data. To summarize the demographics, use patterns, variables affecting adoption, and difficulties respondents faced with digital mobile payment systems, descriptive statistics were used. By using statistical tools, the data was analyzed to reveal both the present trends and the challenges that young people have when trying to embrace modern technologies.

Keywords: *Mobile Payment, Youth, Digital, Hyderabad, Students.*

INTRODUCTION

Across the world, people are reshaping their financial transactions using digital mobile payment solutions. Mobile payment networks are becoming an integral part of contemporary economies, thanks to the proliferation of smartphones and the expansion of internet access. The government's efforts to transition the country to a paperless economy, demonetization in 2016, and the proliferation of fintech solutions have all contributed to the meteoric ascent of mobile payment technology and their revolutionary impact on the Indian economy. There has been a transition from more antiquated and inconvenient digital ways of payment, such cash and bank cards, to these systems, which have been widely adopted by young urban Indians, particularly in big cities like Hyderabad.

A great case study for understanding the dynamics of young people's use of mobile payment systems is Hyderabad, a thriving IT center and one of the fastest-growing major cities in India. Digital payment services like Google Pay, Paytm, PhonePe, and others are flourishing in the city because of its huge population of tech-savvy young professionals, students, and entrepreneurs. The preference for digital technology among this group is driven by both practical considerations and a larger movement toward digital transformation in urban India. There is a golden chance to study mobile payment system use, preferences, and problems among Hyderabad's youth, who are notoriously quick to embrace new innovation.

IJAMSR

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There are a number of different mobile payment systems that allow users to buy things or send money electronically using their smartphones or tablets. Mobile wallets, near-field communication (NFC), and QR codes are all examples of such payment methods. Advances in technology, wider availability of the internet, and supportive government laws have all contributed to the widespread use of these payment methods. Mobile payment use in India has been boosted by government programs such as Digital India, which promotes digital financial inclusion, and the Unified Payments Interface (UPI). In particular, UPI has become an integral element of India's mobile payment infrastructure, allowing for instant and painless transfers between bank accounts.

Some of the reasons why young people in Hyderabad are starting to utilize mobile payment systems include how easy they are to use, how convenient they are, how widespread smartphones are, how reliable mobile internet is becoming, and how much faith people have in the security of these platforms. Using a mobile payment app provides several advantages for consumers, such as instantaneous money transfers, the elimination of the need to carry about actual cash or credit cards, and the introduction of cashback and incentive programs. The young people of Hyderabad, who value convenience and quickness when it comes to their money, have come to rely on digital payment systems that are integrated with a variety of industries, including e-commerce, retail, entertainment, and food delivery applications.

The benefits of mobile payment systems are obvious, yet there are still obstacles to their widespread use in Hyderabad. Some users have been hesitant to utilize it because they are worried about fraud, security breaches, and their personal data. Young customers understand the potential dangers of making purchases online, even if they are more receptive to digital technology in general. The strength of the security measures used by mobile payment systems has come under scrutiny due to incidents like identity fraud, phishing, and illegal access to financial data. Problems arise when there is a disparity in digital literacy, which causes different patterns of use among young people who may not have the same background knowledge with these tools.

Technical difficulties might also cause service interruptions from time to time, which can be particularly troublesome in a large and heavily populated metropolis like Hyderabad. Problems with the network, servers, or unsuccessful transactions may annoy customers and detract from the experience as a whole. Infrastructure constraints, such as spotty coverage, may sometimes be a problem, even though the vast majority of mobile payment systems aim to provide smooth services. In addition, some young people may still choose more conventional ways of paying, whether it's because of habit, distrust of digital alternatives, or just an inherent preference for the familiar.

While mobile payment systems have helped more people get access to financial services, they have also prompted discussions about who exactly is being left out of this trend. People without access to the internet or cellphones, for example, may not be able to take use of these digital tools. This may be less of a problem among young people in more affluent cities like Hyderabad, but it is still there for those who come to the city from rural regions or low-income families in search of better job opportunities or higher education. Even among younger generations, there may be a digital divide due to the high expense of cellphones, data subscriptions, and the learning curve for mobile payment systems.

IJAMSR

International Journal of Advanced Multidisciplinary Scientific Research (IJAMSR) ISSN:2581-4281

There are further ramifications from a macroeconomic standpoint due to the increasing dependence on digital payments among young people. Potential economic advantages include more openness, less corruption, and more tax compliance as the city moves toward a cashless culture, which it helps to propel. The expansion of mobile payment systems also helps fintech businesses thrive, which in turn increases competition and innovation in the banking industry. Attracting investments and collaborations from global technology businesses, this places tech-savvy Hyderabad as a major role in India's digital economy.

The purpose of this research is to describe the ways in which young people in Hyderabad use mobile payment systems and the problems that they face while using them. Both payment service providers and lawmakers must have a firm grasp of these trends if they are to improve their products and services and remove any barriers to broad adoption. This research attempts to provide a full picture of the present scene by evaluating the elements that impact use, such as security, convenience, and technical infrastructure. It will also look at the hurdles, such as challenges with digital literacy and trust. In addition, it aims to investigate ways to make these systems safer and more inclusive so that everyone, especially the young people who are spearheading the digital payment revolution, may reap its advantages.

There are a lot of positive and negative aspects to mobile payment systems that are changing the way young people in Hyderabad handle their money. With the constant evolution of digital payment systems, it is crucial to comprehend the unique requirements, worries, and behaviors of younger consumers in urban centers such as Hyderabad. This study intends to contribute to the creation of safer, more accessible, and easier mobile payment solutions for urban Indian youth by examining the pros and cons of the current system. In India's fast-growing digital economy, the findings from this kind of research might add to the ongoing discussion about mobile payment options and digital financial inclusion.

REVIEW OF LITERATURE

Goplani et al., (2021) In light of the current pandemic situation (COVID-19), we have adapted quickly to new technologies, particularly those that facilitate digital payment applications. Paytm, Gpay, Mobiwik, etc. are only a few among them. You don't need to be a computer whiz to use these payment applications. They make transactions simple and hassle-free. These alternatives to more conventional techniques not only save us time, but they also make our transactions more transparent and eliminate the need for currency. Many once cash-based payment processes have given way to digital ones, including shopping, ticketing, fee payment, recharging, and many more. Cashless transactions and exponential development in the usage of digital payment systems have been achieved by the vigorous promotion of online payment by the Indian government through initiatives like Digital India and Demonetization. Online payment has recently become more popular in India, particularly during the COVID-19 pandemic. Teens and young adults (16–35 years old) and their perspectives on the most widely used digital payment apps were the focus of this study.

IJAMSR

International Journal of Advanced Multidisciplinary Scientific Research (IJAMSR) ISSN:2581-4281

Nur, Triasesiarta & Panggabean, Rosinta. (2021) Both daily living and business practices have been profoundly altered by the exponential growth of financial technology in the last few decades. The proliferation of internet use is giving birth to novel business models. One innovative use of digital platforms for monetary transactions is the mobile payment. In this research, we look at what motivates millennials and Gen Zers to use mobile payments. As the most technologically savvy generation to date, Generation Z is poised to take over society's reins. This research used the Partial Least Square-Structural Equation Model (PLS-SEM) for further analysis after sampling 100 members of Generation Z from Jakarta and surrounding regions (JABODETABEK) utilizing the Extended Unified Theory of Acceptance and Use of Technology (UTAUT) model. The findings demonstrate that the behavioral intention to utilize mobile payments for online transactions is highly impacted by elements related to performance expectation, social influences, facilitating conditions, perceived enjoyment, and trust. There is no discernible impact of effort expectation. Utilizing the expanded UTAUT model, this research offered data about the elements impacting the intended behavior of Generation Z to embrace mobile payment technology for online purchases. This develops out of the expanded UTAUT and applies it to the question of how millennials and Gen Zers want to use mobile payment systems.

Poudel et al., (2023) The monetary system of every country relies on reliable payment methods. The use of electronic payment methods has increased dramatically in Nepal in the last few years. Researching how people in Nepal are using digital payment systems is crucial because it reveals trends in financial technology use that will have an impact on Nepal's economy and financial infrastructure in the years to come. Finding out what makes people in Pokhara Metropolitan City, Nepal, want to use digital payment systems is the main goal of this research. The 400 participants were chosen using a purposive sample approach, and the study population is comprised of Pokhara adolescents. A variety of methods are used in data analysis, including structural equation modeling, exploratory factor analysis, and frequency distribution. Expectations of effort and performance, as well as security and privacy, social impact, enabling circumstances, and adoption intention, were the six components that emerged from the exploratory factor analysis. Structural equation modeling shows that digital payment adoption intentions are positively impacted by security and privacy, performance expectancy, and enabling conditions, but are unaffected by effort expectancy and social influence. Based on the study's findings, the youth of Pokhara Metropolitan City could benefit from more secure digital payment systems, easier access to resources that facilitate digital payments, and more education regarding the advantages of digital payments. With these results in hand, lawmakers will be better equipped to craft measures to encourage the widespread use of digital payment systems.

Purohit et al., (2022) Generation Z consumers, especially in developing nations, are the most important drivers of mobile payments, and this research seeks to investigate the variables that impact mobile payment usage among young. The data was gathered from 365 undergraduates, ranging in age from 18 to 22, who filled out a questionnaire. It was found using the partial least square structural equation modeling (PLS-SEM) study that social influence, performance expectation, and effort expectancy had a large and favorable effect on the behavioral intention to use mobile

IJAMSR

International Journal of Advanced Multidisciplinary Scientific Research (IJAMSR) ISSN:2581-4281

payments. The monetary value and enabling circumstances, on the other hand, were negligible. It seems that promotional offers (discounts, cash-backs) are useless for encouraging adoption of mobile banking, given that price value has a negative impact on the desire to do so. Marketers in developing nations should use the study's recommendations to design mobile payment methods that will appeal to Generation Z consumers and encourage their long-term usage.

Wei et al., (2021) The success of the mobile payment industry depends on a certain demographic: the younger generations. Still, there hasn't been a definite body of data indicating what motivates or discourages millennials to use mobile payment methods. Based on the expanded Unified Theory of Acceptance and Use of Technology (UTAUT), this research aims to contribute to the existing literature by investigating the relationship between the risk perception of young people and the bonuses and incentives offered by mobile-pay companies. An online survey in Taiwan was used to gather 295 samples, the majority of which were members of the younger generations (generations Y and Z), who are more likely to be comfortable with technology. The study's empirical findings show that social influence has a beneficial impact on the behavioral intention to use mobile payment among younger generations. Perceived risks have a negative effect, reflecting the risk-averse preferences of Taiwan's youth, even as behavioral intention and promotional activities are the main drivers of youth mobile payment use. On the other side, there seems to be no gender disparity in the use of mobile payment among younger generations, according to the ignorable moderating effect of gender. The results of this study have significant bearing on the design of marketing campaigns aimed at encouraging the younger generation to use mobile payment methods.

RESEARCH METHODOLOGY

Research Design

The use of digital mobile payment systems among young people in Hyderabad was investigated in this study using a descriptive research approach. In order to back up the study design, primary data was gathered.

Sample Size

Two hundred people were surveyed for this study; one hundred were residents of Hyderabad and the other hundred were from the neighboring areas.

Data Collection

The study was backed by data that was gathered from both primary and secondary sources.

Statistical Analysis

The demographics of the sample, how they utilized digital mobile payment systems, what variables were impacting uptake, and what obstacles they encountered were all summarized using descriptive statistics. We used statistical tools to examine the data.

IJAMSR

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DATA ANALYSIS AND INTERPRETATION

Demographic Tables

Table 1: Age of The Respondents

Particular	Frequency	Percentage (%)
18-20	50	25
21-25	100	50
26-30	50	25
Total	**200**	**100**

The age distribution of survey respondents is shown in the table. Fifty people, or 25% of the total, are in the 18–20 age bracket out of 200 participants. Half of the responses, or 100 people, are in the 21–25 age bracket, making it the biggest age group. And lastly, fifty people, or 25% of the total, are in the age bracket of twenty-six to thirty. In general, there seems to be a large number of responses in the 21–25 age bracket.

Table 2: Most Commonly Used Digital Payment Methods

Particular	Frequency	Percentage%
UPI	80	40%
Mobile Wallet	40	20%
IMPS	20	10%
RTGS	10	5%
NEFT	15	7.5%
AEPS	5	2.5%
Internet Banking	10	5%
Debit/Credit Cards	15	7.5%
USSD	3	1.5%
Others	2	1%
Total	**200**	**100**

The digital payment methods that were most often utilized by respondents are shown in Table 2. Forty percent of respondents, or 80 people out of 200, used the Unified Payments Interface (UPI), making it the most popular method. Twenty percent of the participants, or forty people, opted for mobile wallets as their second-most-popular choice. Immediate Payment Service (IMPS) accounts for 10% (20 people) and Real-Time Gross Settlement (RTGS) accounts for 5% (10 people). Only 7.5%, or 15 people, utilize the National Electronic Funds Transfer (NEFT), whereas 2.5%, or 5 people, use the Aadhaar Enabled Payment System (AEPS). Ten people use online banking, and fifteen use debit or credit cards, for a total of five percent. Finally, out of all the techniques, USSD is the most uncommon, accounting for just 1.5% (3 people), whereas the rest of the methods account for a mere 1% (2 people). When asked about digital payment methods, UPI clearly comes out on top.

IJAMSR

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Table 3: Frequency of Usage of Mobile Payment Applications

Particular	Frequency	Percentage%
Daily	100	50%
Weekly	60	30%
Monthly	30	15%
Rarely	10	5%
Total	**200**	**100**

Table 3 shows how often respondents used mobile payment apps. Fifty percent, or 100 people, out of a total of 200 participants, use these apps every day. Thirty percent, or sixty people, express weekly use of mobile payment applications. Just 15% (30 users) use the applications on a monthly basis, which is much less typical. Lastly, 10% of people say they seldom use mobile payment apps. The results show that most people prefer to use their mobile payment apps every day.

Table 4: Challenges Faced by Youth Regarding Digital Payment Methods

Particular	Frequency	Percentage%
Technical issues	70	35%
Lack of digital literacy	50	25%
Time-Consuming	30	15%
Limited Acceptance	25	12.5%
Funds/Transaction Limitations	25	12.5%
Total	**200**	**100**

The difficulties that young people have while using digital payment systems are detailed in Table 4. Technical concerns were mentioned by 35% of the 200 respondents, or 70 people, as the most common obstacle. Fifty people, or 25% of the total, struggle with computer literacy, making it the second most prevalent issue. Furthermore, thirty people, or fifteen percent, think that digital payments take too much time. Twelve percent of people who took the survey noted that there is a lack of user-friendly digital payment options, while twenty-five people brought up the problem of limited amounts or transactions. In general, the data shows that young people face major challenges when trying to use digital payment methods, including issues with technical aspects and a lack of digital literacy.

CONCLUSION

The young people of Hyderabad rely heavily on digital mobile payment systems because of the ease, speed, and efficiency they provide to their everyday financial transactions. These systems have many positive aspects, such being easy to use and integrated with other services, but they also have some negative aspects, including security issues, technical outages every now and then, and a digital divide that makes it hard for certain people to use them. If we want mobile payment services to be accessible and dependable, we need to fix these issues by making them more secure, raising digital

IJAMSR

International Journal of Advanced Multidisciplinary Scientific Research (IJAMSR) ISSN:2581-4281

literacy, and building stronger infrastructure. In the next years, mobile payments will play a bigger and bigger part in the digital revolution of the economy by influencing the spending habits of young people in Hyderabad.

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