



# Impact Of Digital Literacy An Adoption And Usage Of Mobail Banking Application Among Youth In Pune City

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**Abstract** – This study examines the impact of digital literacy on the adoption and usage of mobile banking applications among youth in Pune city. Digital literacy refers to the ability of individuals to use digital devices such as smartphones, the internet, and mobile applications effectively and safely. With the rapid growth of digital technology and online financial services, mobile banking has become an essential part of daily life, especially among young users. The main objective of this research is to understand how digital knowledge influences the awareness, adoption, and usage behavior of mobile banking applications. The study is based on primary data collected from 100 respondents through a structured questionnaire using Google Forms. The respondents include students and working youth aged between 18 and 30 years in Pune city. The findings of the study reveal that most respondents have moderate to high levels of digital literacy, which positively influences their usage of mobile banking applications. Applications such as Google Pay, PhonePe, and Paytm are widely used for activities like money transfer, bill payments, and online shopping. The study also highlights that digital literacy increases user confidence and ease of use, while factors such as security concerns and fear of online fraud still act as barriers for some users.

**Keywords** – Digital Literacy, Mobile Banking, Adoption, Youth, Perceived Risk, Trust, Perceived Risk.

## I. INTRODUCTION

In today's digital era, technology has become an essential part of everyday life. The rapid growth of smartphones, internet services, and digital platforms has transformed the way people perform their daily activities, including banking. Mobile banking applications have made financial services more accessible, allowing users to transfer money, pay bills, check account balances, and perform other transactions anytime and anywhere without visiting a bank.

Digital literacy refers to the ability to use digital devices such as smartphones, computers, and the internet effectively and safely. It also includes knowledge about using applications, understanding online systems, and protecting personal information. Digital literacy plays a crucial role in enabling individuals to use mobile banking applications confidently and efficiently.

The adoption and usage of mobile banking applications are highly influenced by the level of digital literacy. Youth, being more familiar with technology, are the major users of mobile banking services. In cities like Pune, where there is a high level of education and internet usage, young people actively use mobile banking applications such as Google Pay, PhonePe, Paytm, and bank-specific apps for their daily financial transactions.

### Objectives of the Study

- To study the impact of digital literacy on the adoption and usage of mobile banking applications among youth.

- To understand the level of mobile banking usage among youth in Pune city.
- To analyse the role of trust in influencing mobile banking adoption.
- To examine the effect of perceived risk on the usage of mobile banking applications.
- To suggest measures to improve the adoption and effective use of mobile banking among youth behaviour.

### Significance of the Study

The study helps in understanding the level of digital knowledge among youth and highlights the importance of using digital tools effectively.

The study explains how digital literacy influences the adoption of mobile banking applications among youth. The study shows how better digital knowledge increases confidence in performing mobile banking transactions.

The study creates awareness about the importance of security features and safe digital practices in mobile banking.

The study promotes the use of digital payments and contributes towards the growth of a cashless economy.

### Scope of the Study

This study focuses on examining the impact of digital literacy on the adoption and usage of mobile banking applications among youth in Pune city. It includes respondents between the age group of 18 to 30 years who regularly use smartphones and internet services. The research covers popular mobile banking applications such



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as Google Pay, PhonePe, Paytm, and bank-specific apps used for daily financial transactions. The study mainly considers factors like digital literacy, trust, perceived risk, awareness, and user confidence. It is based on primary data collected from 100 respondents through a structured questionnaire.

## II. LITERATURE REVIEW

In this research study, a review of literature involves summarizing past research studies, theories, and findings related to digital literacy and mobile banking usage.

Various researchers have studied the role of digital knowledge, trust, and risk in influencing the adoption of mobile banking applications among users.

### Sharma (2019)

A study on digital literacy and mobile banking usage found that digital knowledge increases user confidence and reduces fear while using mobile banking applications. Users with higher digital literacy are more comfortable and use these applications more frequently.

### Gupta & Arora (2017)

Their study on mobile banking adoption concluded that trust and security are major factors influencing user decisions. While convenience encourages adoption, security concerns and fear of fraud reduce usage.

### Davis (1989) – Technology Acceptance Model

This study explained that ease of use and perceived usefulness are key factors affecting technology adoption. Users are more likely to adopt mobile banking when applications are simple and beneficial.

### Verma (2019)

A study on perceived risk in digital banking found that fear of fraud, hacking, and data misuse negatively affects mobile banking adoption. The study emphasized the need for awareness about security features.

### Kumar & Singh (2020)

This study focused on mobile banking behaviour among youth and found that young users prefer mobile banking due to convenience and speed. Digital literacy plays an important role in increasing usage and satisfaction.

## Research Hypothesis

**H<sub>0</sub> (Null Hypothesis):** Digital literacy has no significant impact on the adoption and usage of mobile banking applications among youth.

**H<sub>1</sub> (Alternative Hypothesis):** Digital literacy has a significant impact on the adoption and usage of mobile banking applications among youth.

## III. RESEARCH METHODOLOGY

The study is conducted over a period of 2 to 3 months, allowing sufficient time for data collection, analysis, and interpretation.

- Research design and questionnaire preparation
- Data collection
- Data analysis
- Report writing and conclusion

**Data Collection** Data collection is a crucial step in the research process, as it involves gathering relevant information to achieve the objectives of the study.

The study adopts a Descriptive and Analytical Research Design.

**Descriptive method:** is used to describe the financial planning practices, saving habits, and investment behavior of salaried employees.

**Analytical method:** is used to examine relationships between demographic factors (age, income, education, marital status) and saving behavior.

The study is conducted over a period of 15 to 20 days, allowing sufficient time for questionnaire preparation, data collection, analysis, and interpretation of results. The research process includes the following steps: research design and questionnaire preparation, data collection, data analysis, and report writing with conclusion.

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The analytical method is used to examine the relationship between demographic factors such as age, income, education, and marital status with saving behaviour. The study follows a quantitative research approach, as numerical data is collected and statistically analysed.

Primary data is collected directly from salaried employees through structured questionnaires in both online and offline mode. Google Forms survey is also used for working professionals to collect responses easily.



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Secondary data is collected from research journals on financial behaviour, government reports such as RBI and SEBI, books on personal financial planning, and company HR policy documents.

Most respondents were graduates (45%) and postgraduates (40%), indicating a well-educated sample. In terms of work experience, a large portion of respondents (50%) had 1 to 5 years of experience, while 30% had 5 to 10 years of experience, showing a mix of early and mid-career professionals.

#### IV. CONCLUSION & DISCUSSION

The findings of the study clearly show that digital literacy plays a significant role in influencing the adoption and usage of mobile banking applications among youth in Pune city. Most of the respondents possess moderate to high levels of digital skills, which makes them comfortable using smartphones, internet services, and mobile applications. This high level of digital literacy has positively contributed to the increased use of mobile banking apps for daily financial activities such as money transfer, bill payments, and online shopping.

The study also reveals that youth prefer mobile banking applications due to their convenience, speed, and ease of use. Applications like Google Pay, PhonePe, and Paytm are widely used because they provide quick and hassle-free transactions. This supports the idea that digital literacy helps users understand app features and perform transactions confidently without any difficulty.

#### Suggestions for Future Research

The present study provides useful insights into the impact of digital literacy on mobile banking usage among youth in Pune city; however, there is scope for further research in this area. Future studies can be conducted with a larger sample size to improve the accuracy and generalization of the results. Researchers can also extend the study to rural areas to compare the level of digital literacy and mobile banking usage between urban and rural populations.

In addition, future research can focus on different age groups, especially older individuals, to understand their challenges in adopting mobile banking applications. Comparative studies can be carried out between different banks and mobile banking applications to analyse differences in service quality and user satisfaction.

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