

## **AI-DRIVEN DIGITAL PAYMENT SERVICES AND YOUTH ONLINE SHOPPING BEHAVIOR**

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### **Abstract**

AI-based digital payment services are changing how young people shop online. Features like quick payments, smart suggestions, and secure transactions make online shopping easier and safer. Because of this, youth feel more confident using digital apps and platforms for buying products. These services also influence their buying choices through offers and personalized recommendations. Overall, AI-driven payments are shaping the online shopping habits of young consumers.

**Keywords:** AI Technology, Digital Payment Services, Youth Behavior, Online Shopping.

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### **Introduction**

Artificial Intelligence (AI) is playing an important role in today's digital world. One major area where AI is widely used is in digital payment services such as mobile wallets, UPI apps, and online banking platforms. These services use AI to provide faster transactions, personalized offers, fraud detection, and secure payment systems.

Young people are the most active users of online shopping and digital payments. Because AI-based systems make payments quick, easy, and safe, youth feel more comfortable buying products online. Features like one-click payment, smart suggestions, cash back offers, and secure authentication influence their shopping decisions.

As a result, AI-driven digital payment services are not only improving the payment process but also changing the online shopping behavior of young consumers. Understanding this relationship is important to study how technology is shaping the spending habits of youth in the digital era.

### **Research Methodology**

This study has been conducted with the help of structured questionnaire.

### **Data Collection**

#### **Primary Data:**

The primary data was collected by using structured questionnaire collected from 100 respondents.

#### **Secondary Data:**

Various research articles are referred and data was collected.

**Objectives of the Study**

- To understand the various modes of digital payment system.
- To understand issues associated to digital payment system.
- To investigate the problems of online shopping.
- To study the factors affecting youth to online shopping.

**Hypothesis of the Study**

H<sub>0</sub> : : There is no significant impact of COVID-19 on online shopping behavior of youth .

H<sub>1</sub> : There is increase in online shopping since COVID-19.

H<sub>0</sub>: Online shopping problems do not influence youth buying behavior.

H<sub>1</sub>: Online shopping problems influence youth buying behavior.

H<sub>0</sub>: Factors like discounts, convenience, social media, and easy payment options do not influence youth to shop online.

H<sub>1</sub>: Factors like discounts, convenience, social media, and easy payment options influence youth to shop online.

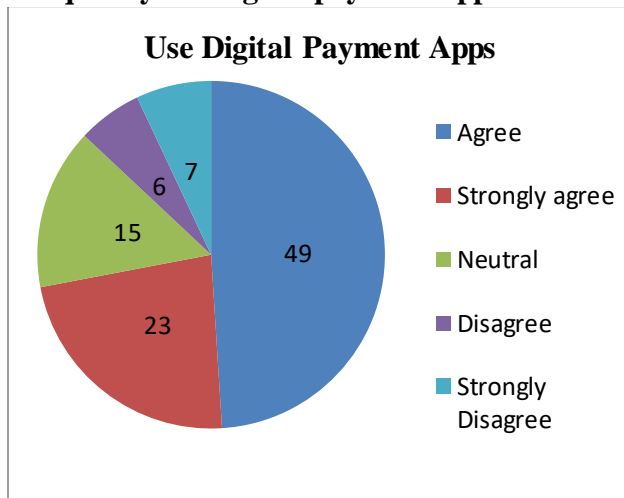
**Limitations of the Study**

This study is conducted for the youth of Jalgaon city only

This study period is restricted to Covid-19 pandemic period only.

**Data Analysis**

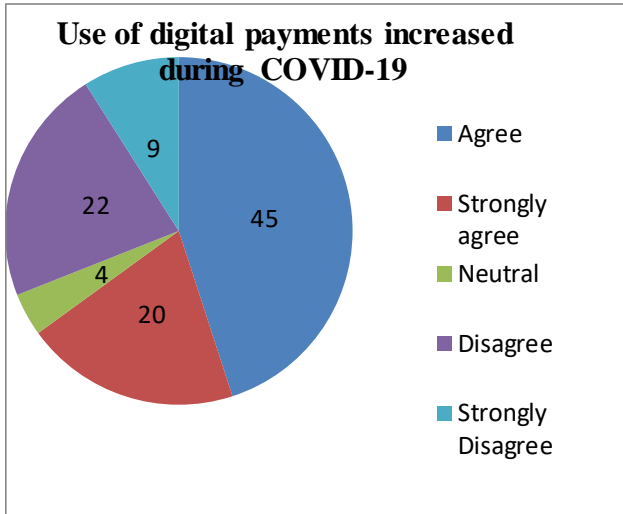
**I frequently use digital payment apps for online shopping.**



Use digital payment apps	Frequency	Percent
Agree	49	49
Strongly agree	23	23
Neutral	15	15
Disagree	6	6
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Most respondents use digital payment apps, as **49% agree and 23% strongly agree**. Only a small number of respondents do not prefer using digital payments.

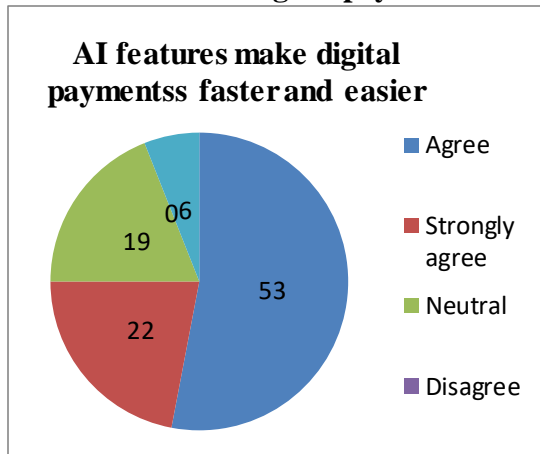
**Use Of Digital Payments Increased During COVID-19**



Use of digital payments increased during COVID-19	Frequency	Percent
Agree	45	45
Strongly agree	20	20
Neutral	4	4
Disagree	22	22
Strongly Disagree	9	9
Total	100	100

**Interpretation:** Most respondents believe that **digital payments increased during COVID-19**, as **45% agree and 20% strongly agree**. However, some respondents (**22% disagree and 9% strongly disagree**) do not feel there was an increase.

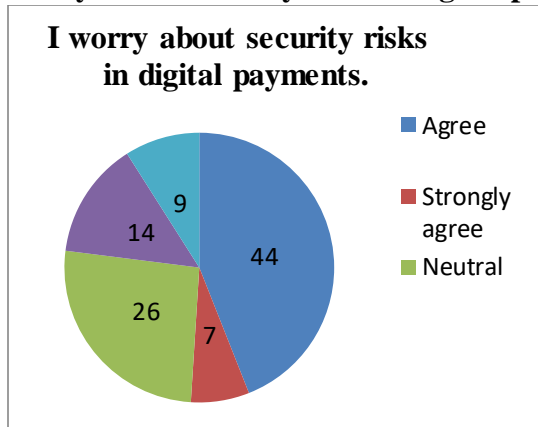
**AI features make digital payments faster and easier.**



AI features make digital payments faster and easier.	Frequency	percent
Agree	53	53
Strongly agree	22	22
Neutral	19	19
Disagree	0	0
Strongly Disagree	6	6
Total	100	100

**Interpretation:** Most respondents believe that **AI features make digital payments faster and easier**, as Only a few respondents (**6% strongly disagree**).

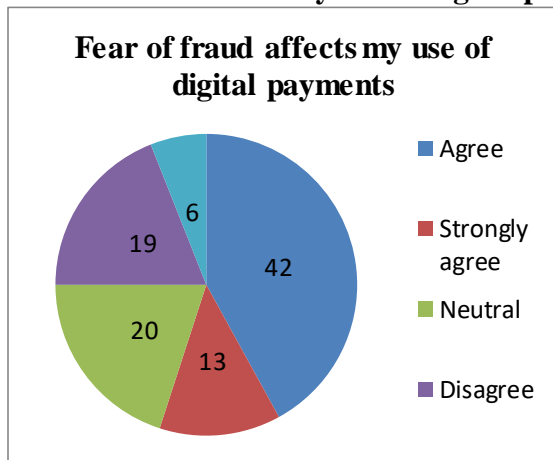
**Worry about security risks in digital payments**



I worry about security risks in digital payments.	Frequency	percent
Agree	44	44
Strongly agree	7	7
Neutral	26	26
Disagree	14	14
Strongly Disagree	9	9
Total	100	100

**Interpretation:** Many respondents worry about security risks in digital payments. However, some respondents disagree or remain neutral about these concerns.

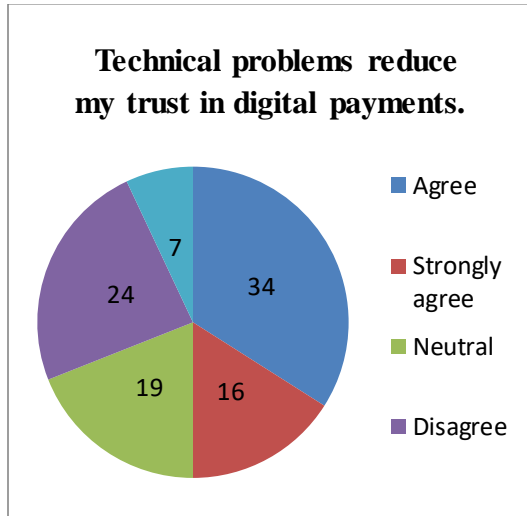
**Fear of fraud affects my use of digital payments**



Fear of fraud affects my use of digital payments	Frequency	percent
Agree	42	42
Strongly agree	13	13
Neutral	20	20
Disagree	19	19
Strongly Disagree	6	6
Total	100	100

**Interpretation:** Many respondents feel that fear of fraud affects their use of digital payment. Some respondents disagree or remain neutral about this.

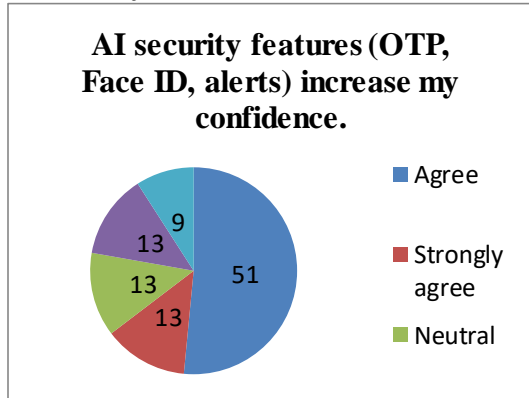
**Technical problems reduce my trust in digital payments.**



Technical problems reduce my trust in digital payments	Frequency	percent
Agree	34	34
Strongly agree	16	16
Neutral	19	19
Disagree	24	24
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents feel that **technical problems reduce their trust in digital payments**, as **34% agree and 16% strongly agree**. Some respondents **disagree or remain neutral**.

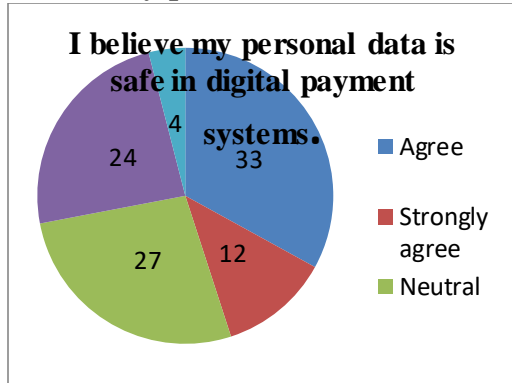
**AI security features (OTP, Face ID, alerts) increase my confidence.**



AI security features (OTP, Face ID, alerts) increase my confidence.	Frequency	Percent
Agree	51	51
Strongly agree	13	13
Neutral	13	13
Disagree	13	13
Strongly Disagree	9	9
Total	100	100

**Interpretation:** Most respondents feel that **AI security features increase their confidence**. while some respondents remain **neutral or disagree**.

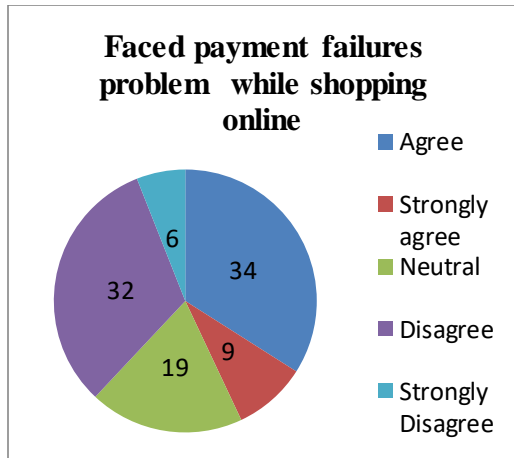
**I believe my personal data is safe in digital payment systems.**



I believe my personal data is safe in digital payment systems.	Frequency	Percent
Agree	33	33
Strongly agree	12	12
Neutral	27	27
Disagree	24	24
Strongly Disagree	4	4
Total	100	100

**Interpretation:** Some respondents believe their personal data is safe in digital payment systems, while many respondents are neutral or disagree.

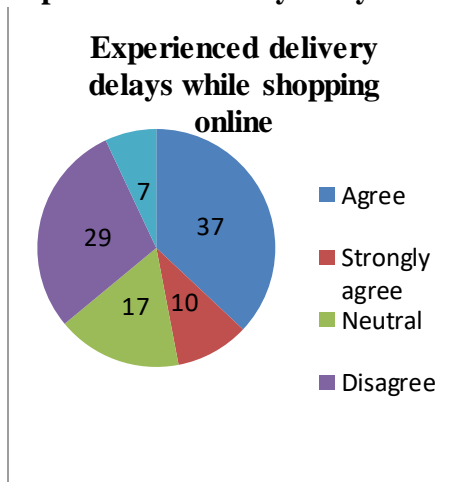
**Faced payment failures problem while shopping online**



Faced payment failures problem while shopping online	Frequency	Percent
Agree	34	34
Strongly agree	9	9
Neutral	19	19
Disagree	32	32
Strongly Disagree	6	6
Total	100	100

**Interpretation:** Some respondents faced payment failure problems while shopping online, while many respondents disagree or remain neutral.

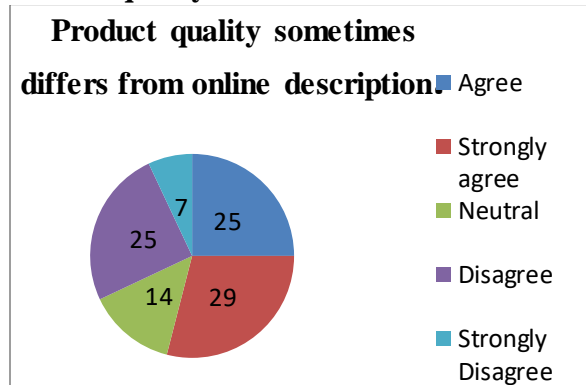
**Experienced delivery delays while shopping online**



Experienced delivery delays while shopping online	Frequency	Percent
Agree	37	37
Strongly agree	10	10
Neutral	17	17
Disagree	29	29
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents have faced delivery delays while shopping online, while some respondents did not face this issue or remained neutral.

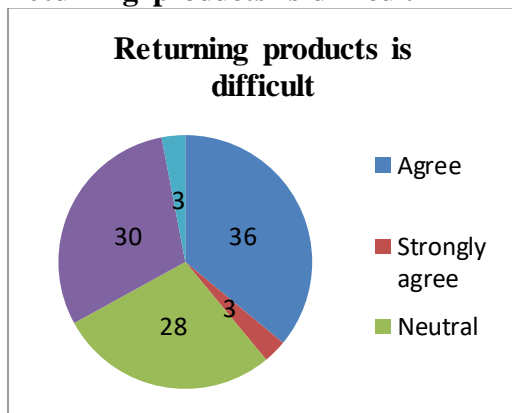
**Product quality sometimes differs from online description.**



Product Quality sometimes differs from online description	Frequency	Percent
Agree	25	25
Strongly agree	29	29
Neutral	14	14
Disagree	25	25
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents feel that product quality sometimes differs from the online description, while some disagree or remain neutral.

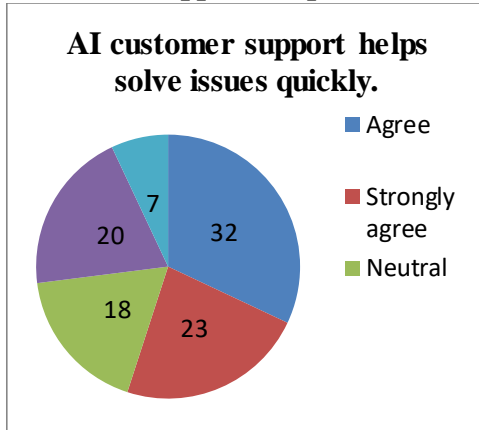
**Returning products is difficult**



Returning products is difficult	Frequency	Percent
Agree	36	36
Strongly agree	3	3
Neutral	28	28
Disagree	30	30
Strongly Disagree	3	3
Total	100	100

**Interpretation:** Some respondents feel that returning products is difficult, as 36% agree and 3% strongly agree, while many respondents disagree or remain neutral.

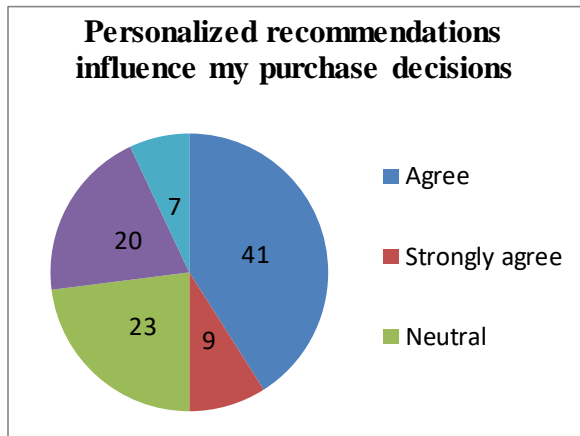
**AI customer support helps solve issues quickly.**



AI customer support helps solve issues quickly.	Frequency	Percent
Agree	32	32
Strongly agree	23	23
Neutral	18	18
Disagree	20	20
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents feel that **AI customer support helps solve issues quickly**, while some **disagree or remain neutral**.

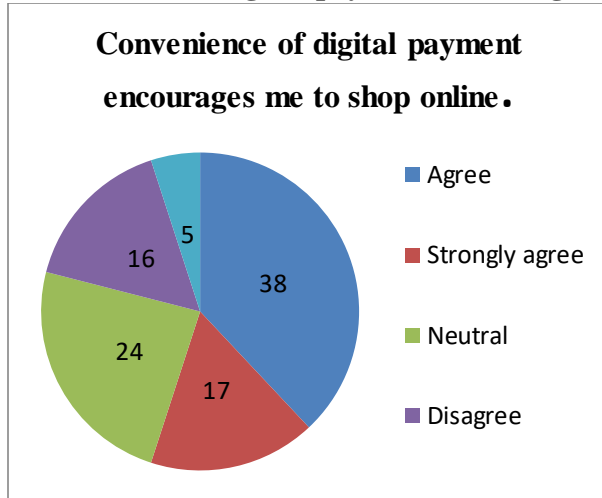
**Personalized recommendations influence my purchase decisions**



Personalized recommendations influence my purchase decisions	Frequency	Percent
Agree	41	41
Strongly agree	9	9
Neutral	23	23
Disagree	20	20
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents say **personalized recommendations influence their purchase decisions**, as **41% agree and 9% strongly agree**, while some respondents **disagree or remain neutral**.

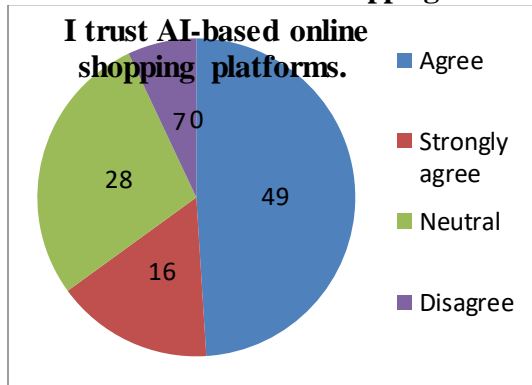
**Convenience of digital payment encourages me to shop online**



Convenience of digital payment encourages me to shop online.	Frequency	Percent
Agree	38	38
Strongly agree	17	17
Neutral	24	24
Disagree	16	16
Strongly Disagree	5	5
Total	100	100

**Interpretation:** Many respondents feel that **the convenience of digital payments encourages them to shop online**, as **38% agree and 17% strongly agree**, while some **disagree or remain neutral**.

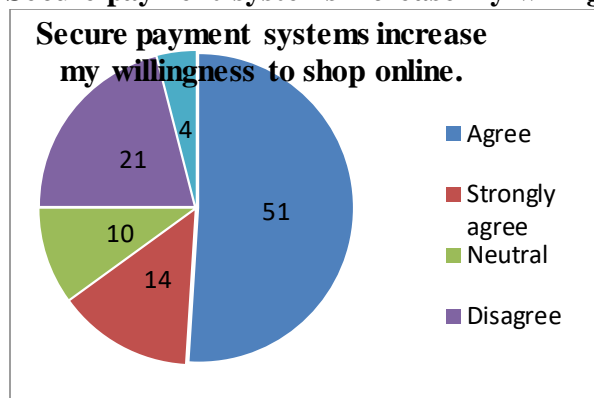
**I trust AI-based online shopping**



I trust AI-based online shopping platforms.	Frequency	Percent
Agree	49	49
Strongly agree	16	16
Neutral	28	28
Disagree	7	7
Strongly Disagree	0	0
Total	100	100

**Interpretation:** Many respondents **have confidence in AI-based online shopping platforms**, while some respondents **are neutral or do not fully trust them**.

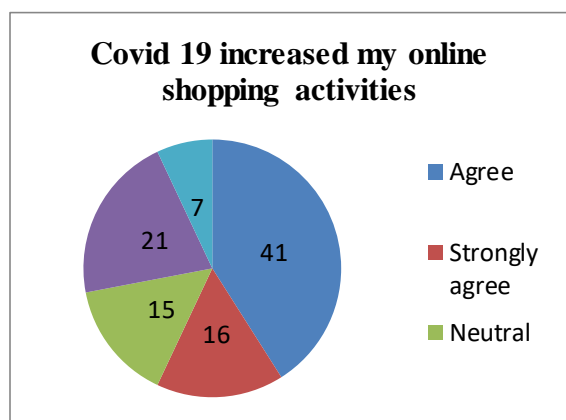
**Secure payment systems increase my willingness to shop online.**



Secure payment systems increase my willingness to shop online.	Frequency	Percent
Agree	51	51
Strongly agree	14	14
Neutral	10	10
Disagree	21	21
Strongly Disagree	4	4
Total	100	100

**Interpretation:** Many respondents feel that secure payment systems encourage them to shop online, while some disagree or remain neutral.

**Covid 19 increased my online shopping activities**



Covid 19 increased my online shopping activities	Frequency	Percent
Agree	41	41
Strongly agree	16	16
Neutral	15	15
Disagree	21	21
Strongly Disagree	7	7
Total	100	100

**Interpretation:** Many respondents say that COVID-19 increased their online shopping activities, while some disagree or remain neutral.

**Findings**

1. Most respondents use digital payment apps.
2. COVID-19 increased digital payments and online shopping.
3. AI features make digital payments faster and easier.
4. Some users worry about security risks and fraud.
5. AI security features increase user confidence.
6. Some respondents faced payment failures and delivery delays.
7. Convenience and secure payments encourage online shopping.
8. Sometimes product quality differs from online description and returns are difficult.

**Recommendations**

1. Digital payment platforms should improve security to reduce fraud risks.
2. Online shopping sites should solve payment failure and technical issues quickly.
3. Companies should ensure product quality matches the online description.

4. The return process should be made easier for customers.
5. Businesses should continue improving AI features to make payments faster and safer.

### **Conclusion**

The study shows that most respondents use digital payment apps and prefer online shopping because it is convenient and fast. AI features help make digital payments easier and improve the overall shopping experience. However, some users still worry about security risks, fraud, payment failures, and delivery delays. Product quality differences and difficulties in returning products are also common concerns. Overall, digital payments and AI-based online shopping platforms are widely accepted, but improvements in security, system reliability, and customer service are still needed to increase user trust and satisfaction.

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