



“A Study on Consumer Satisfaction and Perception toward Digital Payment”

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ABSTRACT

Throughout the past ten years, there has been a considerable increase in internet and mobile phone use in India. The use of mobile phones, increased internet usage, and government programmes like Digital India are all contributing to the exponential growth of digital payment. Electronic consumer payments done at the point of sale (POS) for goods and services using a smart phone, internet banking, or mobile banking are referred to as digital payments. The adoption of digital payment is significantly and favourably impacted by how consumers view them. For the purpose of conducting research, a structured questionnaire was employed to learn how consumers view digital payments. Primary data was collected from 120 respondents in Gujarat. The responses were examined using a frequency analysis. Based on the demographic parameters including gender, age, profession, and annual income of the patients. However it was shown that education has a big impact on people using digital payments.

Key Words- Consumer satisfaction, perception, Digital payment

INTRODUCTION

India is advancing down the route of the biggest digital revolution, and in the ensuing years, the digital payment system will be a crucial turning point in a cashless society. An electronic setting known as a digital payment system enables customers to conduct financial transactions, make purchases, and pay bills (such as mobile or landline service) electronically.

Demonetization led to an unheard-of increase in digital payments. The Indian government and private sector companies like Paytm, Freecharge, and Mobikwik had been aggressively pushing several digital payment applications, including the Aadhaar Payment app, the UPI app, and the Bharat Interface for Money (BHIM) app. By February of this year, digital wallet companies had shown a growth of 271% for a total value of US\$2.8 billion (Rs. 191 crores) [1]. App-based digital transfers have changed behaviour and aided in the spread of digital payments. Due to this, it is now simpler to transfer money in remote areas that were previously unaffected by digital payment methods. Due to India's potential for rapid expansion, the digital payment business has recently become one of the most alluring investment opportunities.

Several factors are facilitating the development of digital payments and the shift from a cash-based economy to one with less cash. One-touch payments, non-banking financial institutions that facilitate digital payments, the growth of the financial technology sector, and government initiatives such as tax exemptions and incentive programmes are some of these facilitators. These all contribute to the favourable environment that is fostering the expansion of digital payments in India.

Digital Payment Modes in India

There are several mode of digital payment available in India. These are:

Online or mobile wallets: Both the internet and smartphone apps are utilised to use them. By using net-banking, debit or credit cards, or recharge, users can add money to their app's wallet. Consumer wallet monthly limits are Rs. 20,000, and merchant wallet monthly limits are Rs. 50,000 after self-declaration and Rs. 100,000 following KYC verification.

Prepaid credit cards: deposited in a person's bank account in advance. Similar to a gift card, clients can make purchases using the money on the card rather than with credit that has been borrowed from the bank. can be recharged like a cell phone up to a certain amount.

Debit/RuPay cards: They are connected to a person's bank account. Able can be used at stores, ATMs, online wallets, micro-ATMs, and for e-commerce purchases. In India, debit cards have surpassed credit cards in popularity. Debit card usage rose to 630 million in December 2015 from 22.75 million in December 2014.

Aadhaar Enabled Payment System (AEPS): This system enables bank-to-bank transactions at point-of-sale (PoS) by using the 12-digit unique Aadhaar identity number. AEPS services include fund transfers from one Aadhaar to another and balance inquiries.

USSD: Unstructured Supplementary Service Data-based mobile banking is referred to as USSD. It can be used to make payments up to Rs 5,000 per day per client using a mobile phone on the GSM network and is connected to the bank account of the merchant.

UPI: The Universal Payments Interface (UPI) aspires to become a system that runs numerous bank accounts on a single mobile application platform (of any participating bank). Provides easy fund transmission and merchant payments by combining multiple banking functionalities. It enables peer-to-peer fund transactions.

LITERATURE REVIEW

Padashetty and Kishore (2013) showed that ease of use, expressiveness, and trust influence the acceptance of digital payments through wallets, and they are also motivators for accepting digital payments

Shivathanu B. (2019) in his study adoption of digital payment systems in the era of demonetization emphasized how the electronic payment system was used by the people or accepted by the people during demonetization period. It was based on a theoretically framework where the sample size was 766. The data analysed and recommended that behavioural intentions and innovation resistance had an impact on the actual usage.

The study of **Sanghita Roy, Dr. Indrajit Sinha (2014)** stated that the e-payment system in India, has shown tremendous growth, but still there has lot to be done to increase its usage. Still, 85-90% of the transactions are cash-based. Technology Acceptance Model used for the study. They found Innovation, incentive, customer convenience, and legal framework are the four factors that contribute to strengthening the E- payment system.

The study of **Deepak Mathur (2017)** Research paper E-commerce provides the capability of buying and selling products, information, and services digitally. In an electronic commerce environment, payments take the form of money exchange in an electronic form and are therefore called Electronic Payments. E-Payment system is safe and secure, there should be no threat to the user's credit card number, smart card or other personal detail, payment can be carried out without the involvement of the third party, it makes E payment at any time through the internet directly to the transfer settlement and forms E-business environment.

The study of **Nitsure (2014)** in his paper observed that the issue being faced by developing countries like India in the adoption of E-banking initiatives is due to low dissemination of Information Services. The Research paper highlighted the problems such as security concerns, rules, regulation, and management. In India, there is a major risk of the emergence of a digital split as the poor are excluded from the web and so from the financial system

OBJECTIVES OF STUDY:

The study's goals are to identify the consumer demographic characteristics, analyse how these characteristics relate to consumers' perceptions about the use of digital payments, and determine the implications of these perceptions.

To examine the impact of digital payment on the operations of financial institutions in the country.

RESEARCH METHODOLOGY

120 respondents were surveyed from various regions of Gujarat to get the primary data used in the current study. To gather information from the respondents, a well-structured questionnaire was created. Its purpose was to investigate respondents' perceptions of the adoption of digital payment methods by consumers.

RESEARCH DESIGN: For this Research, we have used Descriptive Research Design.

SAMPLING METHOD: For this Research we have selected Non-Probability Convenience Method

TYPE OF DATA: For this Study Primary and Secondary Data Both has been used for Research Topic.

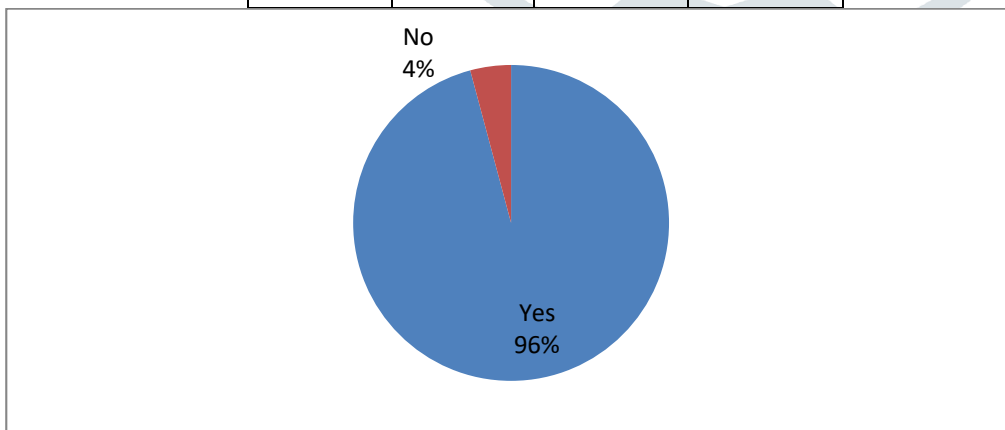
RESEARCH INSTRUMENT: Questionnaire

SAMPLE SIZE: 120 Respondents

DATA ANALYSIS AND INTERPRETATION

Q. 1 Have you ever used digital payment

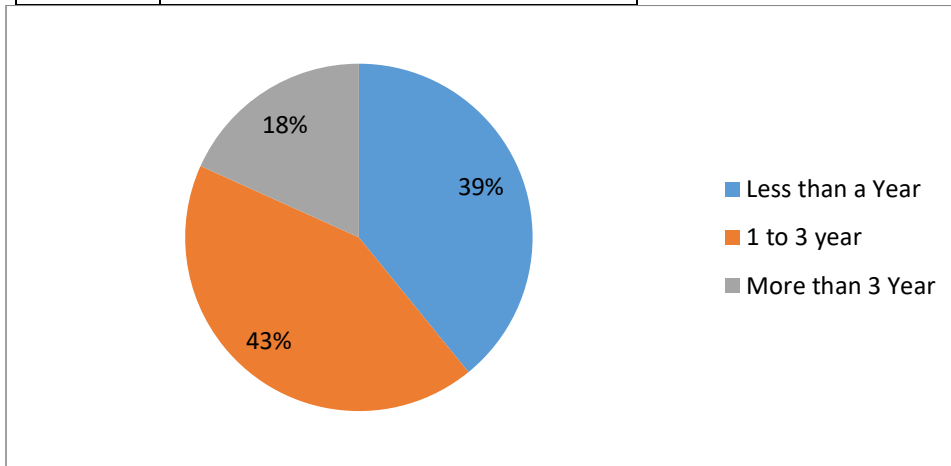
| Particular | frequency | Percentage | Cumulative percentage |
|------------|-----------|------------|-----------------------|
| Yes | 115 | 95.83 | 95.83 |
| No | 5 | 4.16 | 100 |



Interpretation: In our survey we came to know that among 120 responded around 95.83% (96 %) or 115 person use at least one mode of digital payment but on other hand just 4.16% (4%) or 5 person never use digital mode of payment. It show that we can assume majority of people are chose to use digital payment.

Q. 2 How long have you been using digital payment?

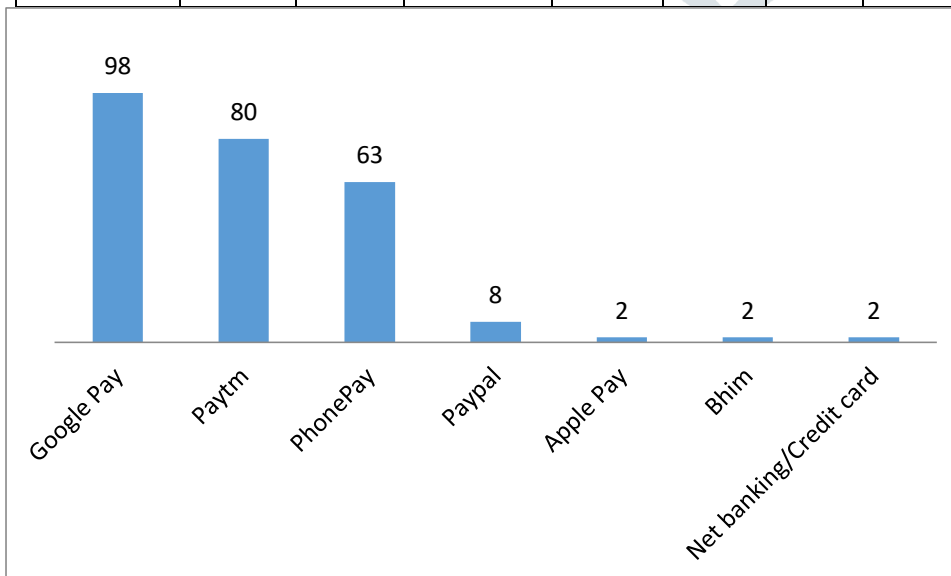
| Particular | frequency | Percentage | Cumulative percentage |
|------------------|-----------|------------|-----------------------|
| Less than a Year | 45 | 39.13 | 39.13 |
| 1 to 3 year | 49 | 42.6 | 81.73 |
| More than 3 Year | 21 | 18.27 | 100 |
| Total | 115 | | |



Interpretation : With this survey we found that there are 39.13% (39%) person are new customer i.e. less than a Year with total number of 45, where with 42.6% (43%) person or count 49 are using from more than 1 year but less then 3 years. But 21 person or 18.27% (18%) of respondent are using digital mode of payment form more than 3 years. Which shows that around 61% of respondent turn towards the new way of payment for a very long time.

Q.3 What kind of platform have you used to make payment?

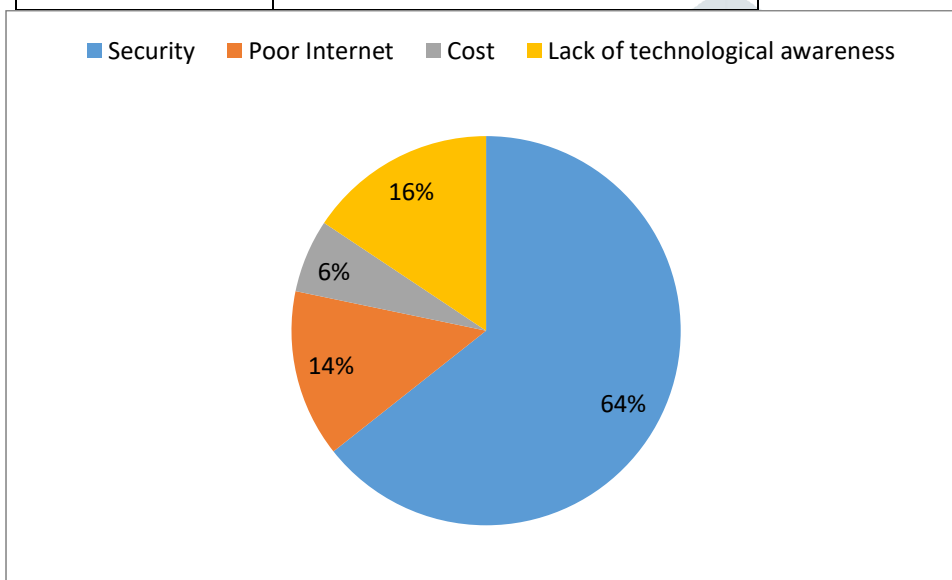
| Particular | Google Pay | Paytm | PhonePay | Paypal | Apple Pay | Bhim | Net banking/Credit card |
|------------|------------|-------|----------|--------|-----------|------|-------------------------|
| frequency | 98 | 80 | 63 | 8 | 2 | 2 | 2 |
| Percentage | 85.21 | 69.56 | 54.78 | 6.95 | 1.73 | 1.73 | 1..73 |



Interpretation: with this study we can say that Majority of the customers use Google pay for electronic payment with 85.21%, followed by Paytm 69.56% and Phone pay 54.78% and balance use other modes of digital payment. This study shows that among all 115 respondents lot of persons are using multiple platforms to pay.

Q. 4 Concern Towards digital payment system

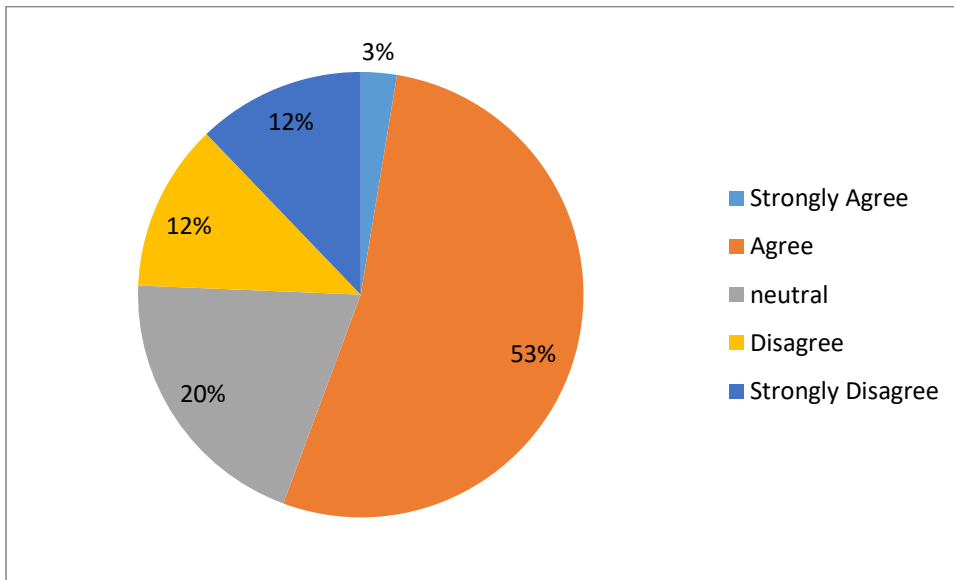
| Particular | frequency | Percentage | Cumulative percentage |
|---------------------------------|-----------|------------|-----------------------|
| Security | 74 | 64.35 | 64.35 |
| Poor Internet | 16 | 13.91 | 78.26 |
| Cost | 7 | 6.09 | 84.35 |
| Lack of technological awareness | 18 | 15.65 | 100 |
| Total | 115 | | |



Interpretation: This graph clears that majority of respondents with 64% have highest level of concern towards the Security and other have as follow with 14% and 16% as Poor Internet and Lack of Technological awareness respectively and 6% think its costly.

Q. 5 Will people hardly use cash to make purchase in upcoming years

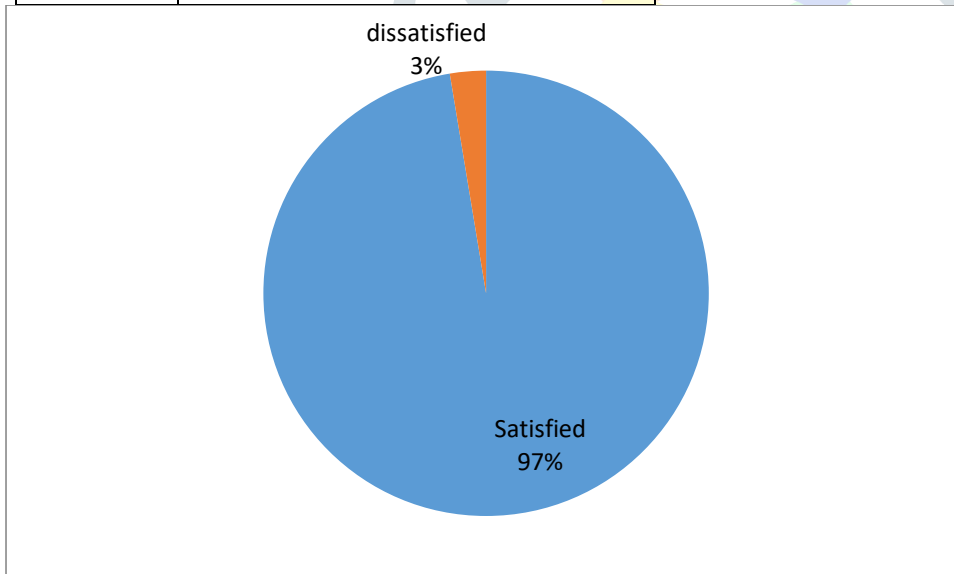
| Particular | frequency | Percentage | Cumulative percentage |
|-------------------|-----------|------------|-----------------------|
| Strongly Agree | 3 | 2.6 | 2.6 |
| Agree | 61 | 53.04 | 55.64 |
| neutral | 23 | 20 | 75.64 |
| Disagree | 14 | 12.18 | 87.82 |
| Strongly Disagree | 14 | 12.18 | 100 |
| Total | 115 | | |



Interpretation: This above graph shows among all 115 responded 56% people believe that digital payment will replace cash as primary mode of payment where 24% of them think cash will always be a primary mode and disagree. And other 20% have mixed or Neutral suggestions.

Q. 6 your experience on Digital payment

| Particular | frequency | Percentage | Cumulative percentage |
|--------------|-----------|------------|-----------------------|
| Satisfied | 112 | 97.39 | 97.39 |
| dissatisfied | 3 | 2.61 | 100 |
| Total | 115 | | |



Interpretation: The above findings show that 97% of respondents are satisfied with digital payment and just 3% are dissatisfied with digital payment which we can assume can be possible due to some reasons.

RESULTS & FINDINGS

- With the use of digital wallets, consumers may make payments online without having to enter their credit card information, simplifying the payment procedure.
- As a one-click payment method, a digital wallet enables users to link their accounts and make payments immediately without having to input their card information each time a transaction occurs. This eliminates the need for customers to submit their information each time a transaction occurs.
- As the wallet doesn't send the payment card information to the website, there is a good amount of security when payments are done through e wallets. Users of these virtual wallets can lock their wallets.
- Insufficient Infrastructure for setting digital Payment in rural areas and No network in Remote areas lead to Payment Failure.
- According to research, the majority of respondents anticipate an increase in digital payments in the future.
- With demonization and COVID-19, the country has seen an increase in online payments.
- Customers' Expectations from Electronic Payment such as Easy to Use, Easy to Transfer large amount, 24/7 Access, Low charges, Time saving. Among all this expectation factors 50% to 60% Strongly Agree with all the factors, 20% to 40% agree with all the Factors .It means that customers have Positive Attitude towards digital payment.
- Majority of the customers use Google pay for electronic payment with 85.7%, followed by Phone pay 55.4% and Paytm 69.6%.
- Majority of customers use online payment daily (69.6%) followed by weekly (8.9%) and Monthly (17.9%).

LIMITATIONS OF STUDY

- The sample size chosen for the questionnaire was only 120 and that may not represent the true picture of the customer perception about Electronic Payment.
- Nearly 82% of the respondent belonged to the age group of 20 to 25 years and so the responses and the opinion of the experienced and aged were not available. So the finding many not be correct when we think about the opinion of the elder people about the Electronic Payment.
- The respondents might have given biased opinion.
- The area and respondent undertaken for research are limited and thus result may differ with change in sample size

CONCLUSION

- The Study on **Consumer Satisfaction and perception Toward Digital Payment** helps us to understand the perception of customers towards Electronic Payment and its uses and problems faced.
- By this study we came to know that still many technological development is to be done in order to reduce the network problems, Increase Internet Connectivity.
- According to Research majority of Respondents expect that Electronic Payment to Increase In Future.
- In the Era of Technology India is moving towards cashless Economy and Promoting Electronic Payment
- Electronic Payment helps to increase the Liquidity of Funds in the Country.

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