

A Study on Customer Satisfaction towards Usage of Online Payment Apps

S. Kasthuri Meena¹, U. Kayal Vizi²

¹Associate Professor, Department of B. Com, Government Arts College, Coimbatore

²Research Scholar, Department of B. Com, Government Arts College, Coimbatore

ABSTRACT:

The world is developing technologically day by day in every aspect of life. As a result, technology has transformed traditional financial transactions into digital payments. The use of online payment applications is increasing rapidly, with these apps offering a wide range of services to users. Digital payment applications save time, provide convenience, and ensure the secure handling of money. Customers are generally highly satisfied with the services offered by these applications. This study focuses on customer satisfaction with online payment applications. A descriptive research design was adopted for the study, and data were collected from primary sources using a sample of 101 respondents. The collected data were analyzed and interpreted using statistical tools such as the Frequency and ANOVA.

KEYWORDS: Technology, Customer Satisfaction, Online Payment Applications.

INTRODUCTION:

Demonetization and technological advancements have transformed the world into a digital payment economy. Nowadays, almost everyone has adopted digital payment methods for their daily transactions. There are many digital payment applications available, such as Google Pay, Paytm, and PhonePe. People use these apps not only for money transfers but also for various other services. They can conveniently book bus tickets, recharge DTH services, and perform mobile recharges. Online payment applications have made financial transactions faster and more efficient. A majority of people now prefer digital payments over carrying cash. Digital payment systems are now widely accepted, ranging from small local shops to large-scale organizations. These technologies have promoted the concepts of faceless, paperless, and cashless transactions, making financial activities more convenient and efficient. Consequently, digital payments have become an integral part of everyday life in the modern world. Digital payment systems provide users with enhanced convenience, security, and accessibility. They enable instant transactions anytime and anywhere without the need for physical cash. Digital payments also help maintain transparent financial records, making personal and business transactions easier to track. Governments and financial institutions encourage the adoption of digital payments to promote financial inclusion and economic growth. With continuous technological innovations, digital payment applications are expected to play an even greater role in shaping the future of financial transactions.

OBJECTIVES OF THE STUDY:

- To analyze the demographic characteristics of digital payment users.
- To identify the factors that influence the usage of online payment applications.

- To examine the level of customer satisfaction with online payment applications.
- To understand the challenges and problems faced by customers while using online payment applications.

SCOPE OF THE STUDY:

Scope of the study examines the customer satisfaction with online payment apps, and issues faced by the customers towards online transaction.

STATEMENT OF THE PROBLEM:

Digital payment systems offer numerous benefits such as convenience, accessibility, security, and transaction facilities. Despite these advantages, customers face several challenges while using online payment applications. Therefore, understanding customer satisfaction and the problems encountered while using digital payment apps has become increasingly important. This study focuses on the demographic profile of customers, factors influence the usage of online payment applications and their level of satisfaction with digital payment applications, and the various issues they experience while using these platforms.

LIMITATION:

- This research was carried in a shorter period of time.
- Some of the respondents did not answer the questions accurately with interest.
- For this research the scope of discussion was limited, the research could have been in more depth.

RESEACRH METHODOLOGY:

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

RESEARCH DESIGN:

Descriptive, Cross sectional, Quantitative design used in this study.

SAMPLING DESIGN:

Convenience sampling, a non – probability sampling method, was used for this study.

DATA COLLECTION:

The Primary data for this study was collected through questionnaire and responses collected through google form.

TOOLS USED:

The tools are:

- Frequency

- One-way ANOVA

REVIEW OF LITERATURE:

Gupta and Arora (2019)

This study investigated the adoption of digital payment systems among Indian consumers. The results showed that customer satisfaction is strongly associated with transaction speed, reliability, security features, and the availability of customer support services.

Kumar and Gupta (2020)

The study examined user satisfaction with online payment applications such as Google Pay, PhonePe, and Paytm. The researchers found that cashback offers, user-friendly interfaces, and quick transaction processing positively impact customer satisfaction, while transaction failures reduce user confidence.

Sharma and Singh (2021)

The study focused on customer experiences with digital payment apps during the COVID-19 pandemic. The findings revealed increased usage due to contactless payment preferences. Security, convenience, and service quality were identified as major determinants of customer satisfaction.

Patel and Patel (2022)

The researchers analyzed factors influencing customer loyalty toward online payment apps. The study concluded that satisfaction levels increase when applications provide secure transactions, easy navigation, rewards, and prompt customer support.

Ramesh and Karthikeyan (2023)

This study examined customer satisfaction among digital payment app users in urban areas. The findings indicated that users highly value convenience, transaction success rate, and data security. The study recommended improving cybersecurity measures and reducing technical glitches to enhance customer satisfaction.

DEMOGRAPHIC CHARACTERISTICS:

Demographic Characteristics		Frequency (n)	Percent (%)
Age	17-20	61	60.4
	21-25	20	19.8
	25-30	20	19.8
Gender	Male	63	62.4
	Female	38	37.6
Educational Qualification	Diploma	3	3.0
	Higher Secondary	3	3.0
	Undergraduate	77	76.2
	Post Graduate	15	14.9
	Ph. D	3	3.0
Occupation	Government Employee	4	4.0
	Own Business	10	9.9
	Private Employee	87	86.1

INTERPRETATION:

- The table presents the demographic profile of 101 respondents who use digital payment applications. The findings reveal that the majority of respondents (60.4%) belong to the age group of 17–20 years,

while 19.8% each fall within the 21–25 years and 25–30 years age groups. This indicates that digital payment applications are predominantly used by younger individuals, suggesting a higher level of technology adoption among youth.

- With regard to gender, male respondents constitute 62.4% of the sample, whereas female respondents account for 37.6%. This suggests that the usage of digital payment applications is relatively higher among males than females in the study area.
- In terms of educational qualification, the majority of respondents (76.2%) are undergraduates, followed by postgraduates (14.9%). Respondents with Diploma, Higher Secondary, and Ph.D. qualifications each represent 3.0% of the sample. The findings indicate that individuals with higher educational attainment are more likely to adopt and use digital payment applications, possibly due to greater awareness of digital technologies and financial services.
- Regarding occupation, a significant majority of respondents (86.1%) are private employees, while 9.9% are engaged in their own businesses and only 4.0% are government employees. This suggests that digital payment applications are widely used among private-sector employees, likely because of the convenience, speed, and ease of conducting financial transactions in their daily activities.

FACTORS INFLUENCE THE USAGE OF DIGITAL PAYMENT APP:

Factors influence the usage		Frequency (n)	Percent (%)
Types of online Payment App	FamPay	3	3.0
	Gpay	84	83.2
	Paytm	2	2.0
	Phonepe	9	8.9
	Samsung Pay	1	1.0
	Super. Money	2	2.0
Primary Purpose of using the Payment App	Bill Payment	25	24.8
	Money Transfer	60	59.4
	Online Bookings	1	1.0
	Online Shopping	15	14.9
Transaction Processing Time	1 Minute	37	36.6
	2 Minute	11	10.9
	Less than 30 Seconds	47	46.5
	More than 2 Minutes	6	5.9
Registration and KYC Process	Complicated	3	3.0
	Easy	77	76.2
	Very Easy	20	19.8
	Very Frustrating	1	1.0
Security Features	Extremely Confident	39	38.6
	Neutral	21	20.8
	Not Confident	5	5.0
	Somewhat Confident	36	35.6
	Essential	33	32.7

QR Code Features	Rarely use it	2	2.0
	Useful	66	65.3
Clear and Detailed Transaction History	No	11	10.9
	Yes	90	89.1

INTERPRETATION:

- The table shows the factors influencing the usage of online payment applications among 101 respondents. The findings reveal that Google Pay (83.2%) is the most widely used payment application, followed by PhonePe (8.9%), while the usage of FamPay (3.0%), Paytm (2.0%), Super. Money (2.0%), and Samsung Pay (1.0%) remains relatively low. This indicates a strong preference for Google Pay among users, possibly due to its ease of use, reliability, and widespread acceptance.
- With regard to the primary purpose of using payment applications, the majority of respondents (59.4%) use them for money transfers, followed by bill payments (24.8%) and online shopping (14.9%), while only 1.0% use them mainly for online bookings. This suggests that digital payment applications are primarily utilized for convenient and instant fund transfers.
- In terms of transaction processing time, 46.5% of respondents reported that transactions are completed in less than 30 seconds, while 36.6% stated that transactions take about one minute. Only 5.9% experienced processing times of more than two minutes. These findings indicate that online payment applications provide fast and efficient transaction services, which enhances user satisfaction and encourages continued usage.
- Regarding the registration and KYC process, the majority of respondents (76.2%) perceived it as easy, while 19.8% considered it very easy. Only a small proportion found the process complicated (3.0%) or very frustrating (1.0%). This suggests that the onboarding procedures of payment applications are generally user-friendly and accessible.
- Concerning security features, 38.6% of respondents reported being extremely confident, while 35.6% were somewhat confident in the security measures provided by payment applications. Only 5.0% expressed a lack of confidence. This indicates that most users trust the security mechanisms implemented in digital payment platforms.
- With respect to QR code features, the majority of respondents (65.3%) considered them useful, while 32.7% regarded them as essential. Only 2.0% reported rarely using QR codes. This demonstrates the importance of QR code functionality in facilitating convenient and contactless digital transactions.
- Regarding transaction history, a substantial majority of respondents (89.1%) reported that payment applications provide a clear and detailed transaction history, while only 10.9% disagreed. This suggests that transparent transaction records play a significant role in enhancing user trust and improving the overall digital payment experience.

LEVEL OF CUSTOMER SATISFACTION:

Customer Satisfaction		Frequency (n)	Percent (%)
Frequency of Mobile Payment App Usage	Daily	50	49.5
	Monthly	7	6.9
	Rarely	20	19.8
	Weekly	24	23.8
	Excellent	27	26.7

Mobile Payment App Rating	Good	32	31.7
	Poor	2	2.0
	Very Good	40	39.6
Service satisfaction (Recharge, Insurance, etc.,)	Dissatisfied	1	1.0
	Neutral	18	17.8
	Satisfied	59	58.4
	Very Satisfied	23	22.8
Responsiveness of the Support team	Average	10	9.9
	Excellent	27	26.7
	Good	64	63.4
Overall satisfaction	2 Star	2	2.0
	3 Star	15	14.9
	4 Star	57	56.4
	5 Star	27	26.7

INTERPRETATION:

- The table presents the level of customer satisfaction with mobile payment applications among 101 respondents. The findings reveal that the majority of respondents (49.5%) use mobile payment applications daily, followed by weekly users (23.8%), while 19.8% use them rarely and only 6.9% use them monthly. This indicates that mobile payment applications have become an integral part of users' daily financial activities.
- With regard to the overall rating of mobile payment applications, 39.6% of respondents rated them as very good, followed by 31.7% who rated them as good and 26.7% who rated them as excellent. Only 2.0% of respondents rated the applications as poor. This suggests a high level of user satisfaction with the performance and functionality of mobile payment applications.
- Regarding satisfaction with additional services such as recharge, insurance, and other facilities, the majority of respondents (58.4%) reported being satisfied, while 22.8% were very satisfied. A smaller proportion (17.8%) remained neutral, and only 1.0% expressed dissatisfaction. This suggests that users are generally pleased with the range and quality of services offered through mobile payment applications.
- Concerning the responsiveness of the support team, 63.4% of respondents rated it as good, while 26.7% considered it excellent and 9.9% rated it as average. This indicates that customer support services are perceived positively by most users and contribute to overall customer satisfaction.
- With respect to overall satisfaction, the majority of respondents (56.4%) awarded a 4-star rating, followed by 26.7% who provided a 5-star rating. Meanwhile, 14.9% gave a 3-star rating, and only 2.0% assigned a 2-star rating. This demonstrates that most respondents are satisfied with their experience of using mobile payment applications, reflecting a positive perception of their convenience, efficiency, and service quality.

CHALLENGES FACED BY THE CUSTOMERS:

Customer Satisfaction		Frequency (n)	Percent (%)
Fraudulent Transaction	Maybe	14	13.9
	No	66	65.3
	Yes	21	20.8
Privacy of Personal Data	Highly Secure	40	39.6
	Low Security	7	6.9
	Moderately Secure	53	52.5
	Unsafe	1	1.0
Transaction failure due to server issues	Frequently	7	6.9
	Never	15	14.9
	Occasionally	23	22.8
	Rarely	56	55.4
Biggest Drawback	Lack of Customer Support	8	7.9
	Security Concerns	40	39.6
	Transactions Failures	53	52.5
Amount Refunded for Failed Transactions	2 To 3 Days	24	23.8
	Instantly	17	16.8
	More than 5 days	5	5.0
	More than 24 hours	55	54.5

INTERPRETATION:

- The majority of respondents (65.3%) reported that they have not experienced fraudulent transactions while using online payment applications, indicating a relatively high level of trust in digital payment systems. However, 20.8% of respondents have experienced fraudulent transactions, which remains a significant concern. Additionally, 13.9% of respondents were uncertain about whether they had encountered fraudulent activities, suggesting a lack of awareness regarding online payment security threats.
- More than half of the respondents (52.5%) perceive online payment applications as moderately secure in protecting personal data, while 39.6% consider them highly secure. This indicates that a large majority of users have confidence in the privacy and security measures implemented by payment applications. Only 7.9% of respondents expressed concerns regarding security, with 6.9% rating the security as low and 1.0% considering it unsafe. Overall, users generally feel that their personal information is adequately protected.
- A majority of respondents (55.4%) indicated that transaction failures due to server issues occur rarely, while 14.9% reported never experiencing such problems. This suggests that online payment applications generally provide reliable transaction services. However, 22.8% of respondents experience transaction failures occasionally, and 6.9% face them frequently, highlighting the need for service providers to improve server stability and system performance.
- The most significant drawback identified by respondents is transaction failures, cited by 52.5% of users. This indicates that technical issues remain a major concern affecting customer satisfaction. Security concerns rank second, with 39.6% of respondents expressing worries about the safety of online transactions and personal information. Only 7.9% of respondents considered the lack of

customer support as the biggest drawback, suggesting that customer service is a relatively less significant issue compared to technical and security-related challenges.

- The results indicate that refund processing for failed transactions is generally not immediate for most users. A majority of respondents (54.5%) reported receiving their refunds after more than 24 hours, making it the most common refund duration. Additionally, 23.8% of respondents stated that refunds were credited within 2 to 3 days. Only 16.8% experienced instant refunds, while a small proportion (5.0%) had to wait more than 5 days to receive their money back. These findings suggest that although refund mechanisms are effective in returning funds, delays in processing refunds remain a significant concern and may affect customer satisfaction and trust in digital payment services.

ANOVA

Age		Mean Square	F	Sig.
Types of online Payment App	FamPay	0.903	1.277	0.225
	Gpay	0.903	1.277	0.225
	Paytm	0.903	1.277	0.225
	Phonepe	0.903	1.277	0.225
	SamsungPay	0.903	1.277	0.225
	Super. Money	0.903	1.277	0.225
Frequency of Mobile Payment App Usage	Daily	1.899	1.211	0.272
	Monthly	1.899	1.211	0.272
	Rarely	1.899	1.211	0.272
	Weekly	1.899	1.211	0.272

INTERPRETATION:

- Age does not significantly influence the choice of mobile payment application. Respondents from different age groups tend to use similar payment apps.
- The frequency of mobile payment app usage does not vary significantly across different age groups. Individuals of different ages exhibit similar usage patterns.

ANOVA

Income		Mean Square	F	Sig.
Primary purpose of using Digital Payment App	Bill Payment	0.611	0.671	0.829
	Money Transfer	0.611	0.671	0.829
	Online Bookings	0.611	0.671	0.829
	Online Shopping	0.611	0.671	0.829
Mobile Payment App Rating	Excellent	0.131	0.261	0.770
	Good	0.131	0.261	0.770
	Poor	0.131	0.261	0.770
	Very Good	0.131	0.261	0.770

INTERPRETATION:

- Income does not significantly affect the purpose for which respondents use digital payment applications. Individuals across different income categories use mobile payment apps for similar transaction purposes.

- Respondents' income levels do not significantly influence their satisfaction with or evaluation of mobile payment apps. Users from different income groups provide similar ratings for mobile payment applications.

FINDINGS:

- Google Pay is overwhelmingly the most popular platform (83.2%).
- Most users rely on these apps primarily for money transfers (59.4%) and bill payments (24.8%).
- Transaction failure is the biggest drawback (52.5%), followed closely by security concerns (39.6%). Additionally, 20.8% have experienced fraudulent transactions.
- Refund processing for failed transactions is slow, taking more than 24 hours for 54.5% of respondents.
- According to ANOVA tests, age and income levels do not significantly influence app choice, usage frequency, purpose, or satisfaction ratings.

SUGGESTIONS:

- Return money instantly when a payment fails, instead of making users wait days.
- Add better security features to protect users from scams and hackers.
- Since the majority of respondents prefer Google Pay, competing payment applications need to expand their market reach to the wider public.

CONCLUSION:

In conclusion, this study demonstrates that digital payment applications have successfully shifted traditional financial workflows toward a highly convenient, paperless, and cash-lite framework. Driven predominantly by a tech-literate demographic of young undergraduates and private-sector workers, platforms such as Google Pay have captured a massive share of user preference. This market dominance is primarily sustained by efficient transaction speeds, streamlined onboarding systems, and highly transparent transaction logging.

REFERENCE:

1. Gupta, R., & Arora, S. (2019). Adoption of digital payment systems among Indian consumers. *Journal of Indian Business Research*, Volume 11, September 2019.
2. Kumar, A., & Gupta, M. (2020). User satisfaction with online payment applications: A comparative study of Google Pay, PhonePe, and Paytm. *International Journal of Electronic Finance*, Volume 10, December 2020.
3. Sharma, P., & Singh, N. (2021). Customer experiences and satisfaction determinants with digital payment apps during the COVID-19 pandemic. *Journal of Financial Services Marketing*, Volume 26, June 2021.
4. Patel, K., & Patel, R. (2022). Analyzing factors influencing customer loyalty toward online payment apps. *International Journal of Bank Marketing*, Volume 40, March 2022.
5. Ramesh, V., & Karthikeyan, S. (2023). Customer satisfaction among digital payment app users in urban areas: Convenience and security dimensions. *Journal of Digital Banking*, Volume 8, September 2023.