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"CUSTOMER SATISFACTION TOWARDS DIGITAL PAYMENT APPS"

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ABSTRACT

This study focuses on customer satisfaction towards digital payment applications such as Google Pay, PhonePe and Paytm. Digital payments have become an important part of everyday life because they make transactions quick, easy and convenient. The study aims to understand how customers use digital payment apps and how satisfied they are with their services. Data was collected from digital payment users through a questionnaire and analysed to understand their preferences and experiences. The study also looks at factors such as convenience, security, transaction speed and reliability. The findings help to understand the expectations of customers and suggest ways to improve digital payment services.

Keywords: Digital Payments, Customer Satisfaction, Google Pay, PhonePe, Paytm, UPI.

INTRODUCTION

Digital payment apps have become a common part of our daily life. Apps like Google Pay, PhonePe and Paytm make it easy to send money, pay bills and shop without using cash. These apps save time and make payments quick and convenient.

Customer satisfaction is important because users expect digital payment apps to be safe, simple and reliable. This study focuses on understanding how satisfied customers are with digital payment apps and the factors that affect their satisfaction, such as convenience, security, speed and ease of use.

SCOPE OF STUDY

The study focuses on users of digital payment applications in the selected study area. It mainly looks at users' opinions about convenience, transaction speed, security, customer support and overall satisfaction. The study also helps understand the common problems faced by users while making digital payments.

SIGNIFICANCE OF STUDY

This study is useful for understanding how customers feel about digital payment applications. It helps identify the factors that affect customer satisfaction, such as convenience, transaction speed, security and customer support. The findings can help payment app providers improve their services and provide a better experience to users.

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NEED OF THE STUDY

Digital payment apps have become a part of everyday life, but most studies focus mainly on technology and economic factors. There is less focus on what users actually want and value while using these apps. Since most payment apps now offer similar features and rewards, it is important to understand what makes users trust, prefer, and continue using a particular app. This study helps identify the factors that influence users' satisfaction and loyalty beyond discounts and cashback offers.

REVIEW OF LITERATURE

Kumar & Suresh (2019) conducted a study to analyze customer satisfaction towards digital payment systems. The researchers adopted a descriptive research design and collected primary data through a structured questionnaire from users of digital payment applications.

Nair & Menon (2019) Nair and Menon (2019) conducted a study to examine customer satisfaction towards mobile payment services and to identify the factors that influence customers' continued use of digital payment applications. The main objective of the study was to understand how different aspects of mobile payment services affect users' satisfaction and their willingness to adopt cashless transactions.

Dr. V. Yuvarani & Dr. A. Vanitha (2019) The primary objective of the study was to identify the factors influencing customers' preference for UPI apps and to evaluate their satisfaction with digital payment services.

Sharma & Jain (2020) Sharma and Jain (2020) conducted a study to examine customer perception and satisfaction towards mobile payment applications. The primary objective of the research was to understand the factors that influence customers' satisfaction while using digital payment apps and to identify the reasons behind their growing popularity.

Joseph (2020) conducted a study to understand consumer satisfaction towards online payment systems and to identify the factors influencing customers' experience with digital payment services.

Singh & Kaur (2020) conducted a study to analyze customer satisfaction towards digital payment systems in India. The primary objective of the study was to identify the major factors influencing customer satisfaction and to understand the experiences of users while adopting digital payment services.

Verma (2021) conducted a study to examine the usability of digital payment applications and to understand how the design and interface of these applications influence customer satisfaction.

Reddy & Prasad (2021) conducted a study to evaluate consumer satisfaction towards UPI payment applications and to identify the factors that influence customers' experience with digital payment services.

Lakshmi (2021) in the study titled "Customer Satisfaction Towards Digital Wallets in India," examined the level of customer satisfaction with digital wallet services and identified the factors influencing their continued usage.

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Shilpa Agarwal & Priyanka Malik (2023) Shilpa Agarwal and Priyanka Malik (2023) conducted a meta-analysis to examine the major factors influencing customer satisfaction towards digital payment services.

OBJECTIVES OF STUDY

- To understand the demographic profile and usage habits of digital payment users.
- To study how app design and ease of use affect customer satisfaction.
- To examine how transaction speed and reliability influence user trust.
- To evaluate the effectiveness of customer support when payment issues occur.

RESEARCH GAP

While many previous studies have looked at broad digital banking trends, online shopping habits, or general financial inclusion, most of them focus primarily on basic awareness or overall mobile banking adoption. Very few studies take a closer look at how specific day-to-day features—like instant transaction speeds, app interface clarity, customer support responsiveness, security trust, and reducing physical cash reliance—directly affect real customer satisfaction and long-term app loyalty. Because of this, there is still a limited understanding of how individual payment platforms (such as Google Pay, PhonePe, Paytm, and Amazon Pay) shape users' daily spending habits and confidence.

This study fills that gap by focusing directly on active digital payment app users. By measuring how functional performance, interface design, and service quality impact user experience across different age and occupational groups, the findings offer a practical understanding of what modern consumers actually expect—helping FinTech companies improve security, customer support, and app design where it matters most.

DATA ANALYSIS AND INTERPRETATION PERCENTAGE ANALYSIS

This section presents the distribution of customer demographics, payment application usage, purpose of transactions, and operational barriers to highlight dominant patterns in digital payment app adoption.

Frequency Analysis on Demographic Features, Digital Payment App Usage, Purpose, and Operational Barriers Faced by Users

Features	Factors	Frequency	Percent (%)
Gender	Male	61	61.0
	Female	39	39.0
	Total	100	100.0

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Age	Below 20 years	11	11.0
	21-30 years	64	64.0
	31 - 40 years	5	5.0
	Above 40 years	20	20.0
	Total	100	100.0
Education	School level	4	4.0
	Under graduate	37	37.0
	Post graduate	48	48.0
	Professional Course	11	11.0
	Total	100	100.0
Occupation	Student	47	47.0
	Employed	35	35.0
	Self - Employed	14	14.0
	Homemaker	4	4.0
	Total	100	100
Primary app used	Google pay	89	89.0
	Phone pe	5	5.0
	Amazon pay	4	4.0
	Total	2	2.0
		100	100
Usage duration	Less than 6 month	12	12.0
	6 month to 1 year	12	12.0
	1 to 2 years	18	18.0
	2 to 3 years	17	17.0
	Above 3 year	41	41.0
	Total	100	100
Primary purpose	Bill payment	11	11.0
	Online shopping	13	13.0
	Money transfer	16	16.0
	Recharge	1	1.0
	All of the above	59	59.0
	Total	100	100.0

Source: Primary data

INFERENCE:

It is inferred that the majority of the respondents belonged to the 21–30 years age group and were predominantly male, postgraduates, and students or employed individuals. Google Pay is most frequently used for digital payments by respondents (89\%). A major proportion of users (41\%) have been using payment apps for more than 3 years and rely on them for multi-purpose financial transactions including bill payments, shopping, and peer-to-peer transfers (59\%).

DESCRIPTIVE ANALYSIS:

This section of the study uses standard deviation and mean to analyse and rank the customers'

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perceptions of digital payment applications and the functional service attributes they experience. Mean and Standard Deviation on Perceptions of Customer Satisfaction in Digital Payment Applications and Service Attribute

Factor	Statement	Mean	St . deviation	rank
Customer satisfaction attributes	Digital payment apps save time during transaction	3.82	1.167	I
	Transaction are processed instantly without delay	3.82	1.140	I
	Systems are reliable 27/7 when needed	3.79	1.057	II
	User interface (UI) is intuitive and clear to navigate	3.77	1.145	III
	Switching to payment apps improved overall payment experience	3.75	1.167	IV
	Apps are easy to operate and understand	3.72	1.240	V
	Physical cash dependency has significantly decreased	3.64	1.124	VI
	Transaction made via payment apps feel secure	3.56	1.131	VIII

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	I would recommend my digital payment app to peers	3.53	1.176	IX
	Customer support resolves payment and transaction issues effectively	3.51	1.000	X
	I am satisfied with the cashback ,rewards , and offer provided	3.08	1.195	XI

Source : computed data

INFERENCE:

It is inferred that respondents hold a highly positive perception of digital payment applications, particularly for saving transaction time and enabling instant processing. However, respondents indicated lower relative satisfaction with cashback rewards and customer service resolution. Therefore, digital payment service providers should focus on improving dispute resolution and reward structures while maintaining core operational speed and uptime.

INFERENTIAL ANALYSIS

CHI - SQUARE TEST ON CUSTOMER SATISFACTION AND SERVICE ATTRIBUTES IN DIGITAL PAYMENT APPLICATIONS

This part of the study applies the Chi-square test to explore the relationship between primary digital payment application choices and customer satisfaction dimensions. The hypotheses are framed to examine whether payment app preferences show significant associations with key performance factors.

HYPOTHESIS

$H0_1$: There is no significant association between primary payment app choice and perceived security.
$H1_1$: There is a significant association between primary payment app choice and perceived security.
$H0_2$: There is no significant association between primary payment app choice and ease of operational use.
$H1_2$: There is a significant association between primary payment app choice and ease of operational use.
$H0_3$: There is no significant association between primary payment app choice and perceived

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time savings.
$H1_3$: There is a significant association between primary payment app choice and perceived time savings.
$H0_4$: There is no significant association between primary payment app choice and user interface friendliness.
$H1_4$: There is a significant association between primary payment app choice and user interface friendliness.
$H0_5$: There is no significant association between primary payment app choice and transaction execution speed.
$H1_5$: There is a significant association between primary payment app choice and transaction execution speed.

CHI-SQUARE TEST OF ASSOCIATION BETWEEN DIGITAL PAYMENT APPLICATION PREFERENCES AND CUSTOMER SATISFACTION DIMENSIONS

Statement	Pearson chi - square	P -value
I feel safe and secure while making financial transaction via payment apps	47.669	0.000
Digital payment application are easy to operate and understand	47.591	0.030
Using digital payment application are easy to operate and understand	33.862	0.001
The user interface of my preferred payment app is simple and clear to navigate	25.698	0.001
Transaction are processed instantly without unnecessary delays	29.664	0.003
Customer support resolve payment and transaction issues effectively	19.025	0.088
I am satisfied with the cashback ,rewards, and promotional offers provided	11.252	0.507

Source: Computed data

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INFERENCE:

It is inferred that customer preference for specific digital payment applications is strongly associated with perceived transaction security, operational ease, time savings, interface design, and execution speed ($p < 0.05$). These findings show that while payment apps offer significant daily convenience, core functional performance and security dictate platform loyalty rather than promotional rewards or marketing offers.

FINDINGS

- Google Pay was the most preferred digital payment app, used by 89% of the respondents, mainly because of its fast transactions, easy interface and reliable service.
- Digital payment usage was higher among young and educated respondents. About 62.7% belonged to the 21–30 age group, 48% were postgraduates and 47% were students.
- Digital payment apps have become an important part of daily life. Around 59% of respondents use them for multiple purposes such as bill payments, online shopping, money transfers and mobile recharges.
- Speed and convenience were the major factors influencing satisfaction. Transaction speed and time savings received the highest mean score of 3.82, showing that users mainly value quick and convenient transactions.
- Security, transaction speed and user-friendly design influence app preference. The Chi-Square results showed significant relationships between app choice and security ($p = 0.000$), transaction speed ($p = 0.003$) and UI friendliness ($p = 0.001$).
- Customer support was identified as an area that needs improvement. It received a comparatively lower mean score of 3.51, indicating that users face difficulties in getting proper support during failed or unsuccessful transactions.
- Users value reliable service more than cashback and promotional offers. Cashback had the lowest mean score of 3.08, showing that long-term usage depends more on security, speed, convenience and reliability than temporary rewards.

SUGGESTIONS

- Improve customer support by providing faster refunds and better assistance for failed or delayed transactions.
- Increase transaction speed and reliability by improving the technical infrastructure and reducing payment failures.
- Strengthen security through better authentication, fraud alerts and safe payment features to increase customer trust.
- Focus more on service quality such as speed, convenience and easy operation rather than depending mainly on cashback and rewards.
- Make the apps more user-friendly by providing simple interfaces, regional language options and voice-assisted features.
- Improve payment services in low-network areas by providing reliable offline and low-connectivity payment options.
- Regularly collect customer feedback and use it to improve app features, customer service and overall user satisfaction.

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CONCLUSIONS:

The study concludes that digital payment apps have become a common part of everyday life, with Google Pay being the most preferred app among the respondents. Users mainly prefer digital payments because they are fast, convenient, secure and easy to use. The study also found that customers value good service and reliability more than cashback offers. However, customer support, especially for failed transactions and refunds, needs improvement. Overall, improving security, speed and customer service can increase customer satisfaction and trust in digital payment apps.

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