



APP BEHAVIOR OF CUSTOMER REGARDING CASHBACK OFFERS ON PAYMENT APPS

Gudala Aakanksha,

Master of Business Administration, Mittal School of Business, Lovely Professional University, Punjab

ABSTRACT

In this day & age, the consumption of mobile payment apps of people are rapidly changing. The introduction & quick adoption of Apps Regarding Cashback Offers On Payment Apps has completely changed the way we consume our payment apps. This generation who are the target demographic of this study, are the most sought-after customers for these payment apps as they are well versed with internet usage and have disposable income which can be spent on these transactions. This study focuses on the factors which affect Apps behavior Regarding Cashback Offers On Payment Apps the which will in turn help the mobile payment apps in acquiring customers if they chose to work on the most important factors. behavior of customers regarding cashback offers on payment apps has also changed dramatically, with most customers reporting increased usage. The study talks about several important factors which affect the Apps behavior Regarding Cashback Offers On Payment Apps In information systems, research on mobile payments is a flourishing field. An in-depth analysis of the literature shows that most studies often use current theoretical models of adoption and use of IT, but do not further broaden the research into other hypotheses that may provide new variables that are contextually important. Some contextual variables that are lacking in the current research are described.

Keywords : Mobile payments , Technology Usage , Technology Adoption , Cashback , Payment Apps

1. INTRODUCTION

India is mainly a cash-based economy. Estimation says that approx. 1 billion transactions happen in India every day, of which, almost 530 million transactions are a customer to the merchant to which digital transactions contribute only 13 percent. However, it is expected that by 2020 digital transactions will increase to 26 percent reaching 500 million dollars. This would be partly made possible by building better infrastructure for online payments. This paper examines the impact of cashback on payment apps that how a cashback offer can influence consumer behavior. Through cashback, a company can change the behavior of the consumer regarding modes of payments, number of purchases, etc. In simple words when you buy something some percentage of the amount is given back to you. With cashback, the company doesn't have to discount their products, which prevents the undervaluation of its proposition. At the same time, they are able to provide a financial incentive to buyers. This allows them to satisfy customers without devaluing or discounting their products. The first cashback was issued in 1990 in the US with a 5% cashback offer. The 5% cashback rate usually applies only to purchases made at grocery stores, pharmacies, and gas stations for 6 months. After that cashback comes on payment apps and becomes popular in the world. Payment apps are one of the answers to people's desire to make transactions faster and practical enough to use a smartphone. Besides the convenience that is obtained by using a Payment app, many people also doubt the benefits of Payment apps both the security of money in a Payment app, data security, and even more comfortable using conventional methods. Using Payment apps requires registering personal data, it is necessary to use a pin for security in each transaction so that for some people, it is considered complicated and uses conventional methods of transaction. Earlier due to less awareness about online payments in India these apps were not so popular and the company mostly use cashback offers to attract their customers. But after the demonetization in India, these apps come into the picture and people started moving towards the cashless transaction through these payment apps

Some of the Payments apps in India: Google Pay, Phonepe, Mobikwik, Paytm, PayPal, Bhim App.

2 . LITERATURE REVIEW

In today's world, smartphone has become essential part of daily life. Due to technology, mobile users can nowadays use their smartphones to make money transaction or payment by using applications installed in the phone, **Hem Shweta Rathore, Published 2016** The last decade has seen tremendous growth in use of internet and mobile phone. Increasing use of internet, mobile penetration and government initiative such as Digital India are acting as catalyst which leads to exponential growth in use of digital payment. **Mr. D.Sudhir Babu, Dr. P. Lakshmi Narayanamma, Asst. Professor, Department of Management Studies, Vignans Foundation for Science Technology & Research, Vadlamudi, Guntur, A.P.** Consumers use mobile devices and mobile applications which identified the segments of users and non-users of food-related technology and described differences in their demographic characteristics, food-related app use and interest in food-related app functionality. Results show that 22 per cent of participants were highly engaged with technology and food, while just 12 per cent were disengaged from both. **Allison E. Doub, Aron Levin, Charles Edward Heath and Kristie LeVangie** showed some mobile wallets in India have come to the rescue by offering attractive cashback offers on payments made to petrol pumps. Paytm, MobiKwik and FreeCharge are three popular digital payments platform offering the same. A portion of the organizations has to pull in new objective clients and expanding existing clients' unwaveringness through proposals and utilizing an informal showcasing system based on monetary motivations for clients who allude others to these destinations. Hardly any written works show that this procedure is one of the significant zones of accomplishment of this plan of action since clients who join following proposal are more dynamic and are hence more beneficial and faithful to the brand. Foreseeing client quality in web based business informal communities: an AI approach. Fundamentally, Cashback offers are given to give some limit to clients. Clients use search question to think about cashback. A cashback warning is given which proves to a client that cashback offers are accessible and they can without much of a stretch profit it. Giving cashback offers **Inventor Jithendra K. Veeramachaneni Michael J. Miles Brandon C. Adams Milan Lathia Pub. Date: Jul. 29, 2010.** The researchers found that consumers are more likely to spend the money returned to them at generalist retailers such as department store and other retailers. They consider three accounts for these findings; the leading hypothesis is that consumers fail to treat money as a fungible resource. **Prasad Vana, Anja Lambrecht, Marco Bertini First, Published December 5, 2018** According to recent report of trade body ASSOCHAM and business consulting firm RNCOS, the mobile wallet market in the country is expected to hit rupees 1,51,200 crore by financial year 2022 from just about rupees 150 crore now. According to RBI, payment apps payment had presently exceeded mobile banking in volume terms. Of the financial year ended March 2016, the volume of m-wallets transactions doubled for the April 2015- February 2016 period to over 550 million. M-wallet is playing a vital role in taking economy to the cashless side. This research paper gives a view of adoption of M-wallet in Hotel and Restaurant sector of Chhindwara city. **Kaushal Tapan Research Scholar, Dr. H. S. Gour Central University, Sagar (M.P).** These days consumer's attitude towards the mobile wallet is significantly influenced by enabling conditions and perceived compatibility. Social influence and promotions were also found to influence use of the mobile wallet. Intention to use mobile wallet by youths in northeast India **Pradeep Kumar Deka.** The major shopping festival in India comes around at the period of October- November when Diwali is celebrated and most of the online e-commerce sites provides big ticket offers. During this period they has created unique names for such shopping events – for example – Big billion days by Flipkart, Great Indian Shopping Festival by Amazon to name some. **Shailashri VT Independent P. S. Surekha Shenoy Srinivas Institute of Management Studies Date Written: June 15, 2019.** This strategy provides a competitive profit model that is related to free products. **Jung, E. Y., Baek, C., & Lee, J. D. in 2012** Attitude of customers were found to be significantly related and having a positive linear relationship with the Behavioural intentions as per the correlation and regression analysis whereas Perceived security was not having positive linear relationship with the Behavioural intentions as per the regression analysis since security is an inherent feature of Mobile wallets. **Shalini Gautam; Utkarsh Kumar; Sakshi Agarwal.** Those industries who are having low switching costs, customer loyalty programs (LPs) have potential to drive differentiation and sustain a competitive advantage. The competitive LPs should look beyond offers and rewards. In addition to purchases, LPs can reward participants for other desirable behaviours even they can also provide additional services that impose minimal costs on firms but bring value to customers **Alina Nastasoiu a, *, Mark Vandebosch.** Surprisingly, the promotional "low" price could be actually "high", which is relative to the uniform price when cashback is absent. Customers propose channel coordination as a remedy to mitigate market inefficiency caused by double marginalization. At last, they also extend our model to a duopoly setting and find that a merchant can benefit from its rival's move into the cashback market. Under some conditions both merchants have no incentive to move alone but prefer its rival to do so **Yi-Chun (Chad) Ho, WA 98105 Yi-Jen Ian Ho University of California, Irvine Irvine, CA 92697 Yong Tan, WA 98105** The increasing mobile penetration and improving payment infrastructure have propelled the growth of digital payments in India. But these days e-retailers are still struggling with declining growth rates contributed by cash on delivery payments.

In spite of the enormous research done on various factors of payment infrastructure and their influence on the adoption or use of online payments, the studies have not examined how consumer perception of products and offered discounts can influence their preference towards online payment methods **Aparna Mishra Amrita School of Business Amrita Vishwa Vidyapeetham, Sangeetha Gunasekar Amrita School of Business Amrita Vishwa Vidyapeetham Deepak Gupta.** Thus, targeted marketing expenses seem to be a tool for relationship maintenance rather than customer development because they help in retaining large customers that generate more profit but they did not seem to work in developing new customers into larger and more profitable also. **Van Triest, S., Bun, M. J., van Raaij, E. M., & Vernooij, M. J. in 2009.** In conclusion they found that cashbacks, discounts, and vouchers are effective marketing strategies that can use to attract customers to decide to use or buy the product. And this study proved that three variable under marketing strategy has a significant positive relationship on the decision to use e-wallets among GenZ.

3 . RESEARCH METHODOLOGY

Need of the Study

We have opted for this research topic as we wanted to analyze the previous section, the primary purpose of this study is to investigate the customer behaviour on payment apps through cashback.. The upcoming era is going to be fully digitalized and Payment apps are at the forefront of it. Customers & their choices of streaming services based on different factors is changing the way how they are using the payment apps and how they create and distribute their services across different platforms. The ongoing pandemic has also accelerated the growth of online platforms service adoption, which was also fascinating to analyze. payment apps through cashback. are going to dominate payment apps & other traditional methods services and we wanted to be on top of this trend and therefore we found the need for this research. Thus, there is an increase in the demand & importance of customer behaviour on cashback and the choice of customers is shaping the payment apps based on different factors, this is why we are studying this topic.

Scope of the Study

The scope of studying factors which affect the App Behavior of Customer regarding Cashback Offers on Payment Apps where how the customers will use the payment apps The scope of this study is massive as we are covering a large section of the society → students towards cash back payment apps . The App Behavior of Customer regarding Cashback Offers on Payment Apps are experiencing a boom at this moment in time, which also significantly expands the scope of our research. We are covering various types of factors which lead society , students to choose one app service over another. We are also able to analyze the shift in trends of consumption of Payment apps and how the world is changing from the One app to other apps .Thus, our research becomes relevant as we are studying the choice of customers which will shape the future of cash back apps in the digitalized world.

4 . VARIABLES

Different variable associated with our study include →Various pricing options, User satisfaction ,Personalization, Broad content selection, Bundle option with Apps providers , Availability of streaming apps, Simultaneous viewing options ,Peer influence, Premium content, Collaborations

5 . OBJECTIVES

- To identify weather cashback increases the size of the purchase. To identify weather cashback effects the purchase decision.
- To check user perception regarding effectiveness of cashback.
- To analyze the perspective of youth towards a switch to E payments.
- To investigate the students behavior regarding payment app use.

Sample Size

For this study, the total sample size decided was 220 out of which of 200 responses were effective and 20 were infective. The study focused on App Behavior of Customer regarding Cashback Offers on Payment Apps .the and out of the 200 responses received.

Sampling Technique

In this research project, simple random sampling has been used as it is meant to be an unbiased representation of the total population. It helped us in choosing individuals completely by the chance factor wherein each person gets an equal opportunity to be the part of the sample population. Our questionnaire was open to the whole target population and thus there were less chances of biasness.

Scaling technique

Scaling technique refers to assigning a scale based on certain values that gradually ascend from a certain lower value to certain upper value, Example: 1 to 5 ,In this research paper, Linear scale has been used where respondents were asked about their level of satisfaction regarding different aspects.They chose from one of the five given options: Strongly Disagree, Disagree , Neutral , Agree , Strongly Agree

6 . ANALYSIS TOOL

The collected data was analyzed by Excel using descriptive analysis [mean, median, mode, frequencies]. Different factors & aspects in the questionnaire were analyzed separately and inferences were formed with the help of tables from Excel. Charts were analyzed directly from google forms & inferences were drawn from them regarding preferences of the respondents.

7 . FINDINGS FROM THE STUDY

Heading	Majority	% of Total
Gender	Male	51.5%
Educational Qualification	Post Graduation	49.3%
Use of Mobile Payment Apps	Yes	100%
preferred most of the time	Phonepe	50.5%
App which has least failure rate	Phonepe	25.5%
apps which is more user friendly	Phonepe	47%
apps which has best customer service	Phonepe	47%
prefer more on Payment Apps	Cashback	75.5%
payment apps which have better cashback offers	Strongly Agree	43.5%
Cashback effect your purchase decision	Strongly Agree	37.5%
purchase more through payment apps if they have cashback offers	Strongly Agree	38.5%
obstacle while using Payment Apps if they offer cashback	Agree	39%
Payment Apps if they stop offering cashbacks	Agree	44.5%
add payment promocodes for bill payments , Recharge and other offers	Agree	41%
Cashback offer on Payment apps are useful for transactions	Agree	42.5%
Cashback offers are subject to fulfilling certain conditions	Agree	44.5%
cash back comes with every single Transaction	Agree	40.5%
Cash back offers has period of time	Agree	42%
cashback offers promote you to do a first transaction	Agree	44%
Cashback increases the size of purchases	Agree	43.5%

receive cashback offers on payment apps	Rarely	43.5%
cashback effects your payment decision through payment apps	10% - 20%	40.5%

8 . ANALYSIS & INTERPRETATION

Out of three categories mentioned in the questionnaire [female , male & transgender] the above chart shows us that majority of the respondents were males [51.5%], while females formed 47.5% of the total responses. Majority of the respondents were Post Graduation [49.3%], while all other categories formed a relatively small share of the total. the total number of the people will use the mobile payment apps. Majority of the people are preferring just 1 payment app with the getting 50.5% responses that is Phonepe. Most of the people are preferring all the payment app has the least failure rate with the getting 25.5% responses that is Phonepe. Majority of the people are preferring 1 payment app that is more user friendly with the getting 47% responses that is Phonepe. Majority of the people are preferring just 1 payment app that has best customer service with the getting 47% responses that is Phonepe. Majority of the people are preferring just cashbacks on payment apps with the getting 75.5% responses for cashbacks. Majority of the people are preferring as to switch on other payment apps which have better cashback offers the most preferred genre of apps with 87 , 86 out of the 200 respondents choosing the same that is Strongly Agree and Agree. the people are preferring as Cashback effect the purchase decision the most preferred genre of apps with 75 out of the 200 respondents choosing the strongly agree. Majority of the people are preferring as Cashback effect the purchase more through payment apps if they have cashback offers decision the most preferred genre of apps with 77 out of the 200 respondents choosing the strongly Agree. Majority of the people are preferring as obstacle while using Payment Apps if they offer cashback decision the most preferred genre of apps with 78 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the continue using Payment Apps if they stop offering cashbacks the most preferred genre of apps with 89 out of the 200 respondents choosing the Agree. Majority of the people are preferring as they want to add payment promocodes for bill payments , Recharge and other offers the most preferred genre of apps with 82 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the Cashback offer on Payment apps are useful for transactions as the most preferred genre of apps with 85 out of the 200 respondents choosing the Agree. the people are preferring as the Cashback offers are subject to fulfilling certain conditions the most preferred genre of apps with 89 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the cash back comes with every single Transaction the most preferred genre of apps with 81 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the Cash back offers has period of time the most preferred genre of apps with 84 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the Cash back offers offers promote you to do a first transaction preferred genre of apps with 88 out of the 200 respondents choosing the Agree. Majority of the people are preferring as the Cashback increases the size of purchases preferred genre of apps with 87 out of the 200 respondents choosing the Agree. Majority of the people are preferring that they often receive cashback offers on payment apps just with the getting 43.5% responses that is Rarely. Majority of the people are preferring that how much percentage cashback effects your payment decision through payment apps just with the getting 40.5% responses that is 10 % - 20%.

9 . CONCLUSION

Analyzing the factors affecting the App Behavior of Customer regarding Cashback Offers on Payment Apps, that the study found that quality of content emerged as the top factor that affects the choice of Customers followed by Cashback discounts effect the purchase of customers . Among the all apps which they are providing the services, Phonepe and Google Pay came out on top as the most used service among the respondents. The reason for this was the incredible value for Cashback that provides alongside its benefits (Recharge , Tickets booking , Bill Payments Cashback returns & other things). Where Google pay has also significant role in cashback offers where google pay also provides many services and cashbacks and it also saw significant usage.

And some of the apps like Paytm , E –wallet , freecharge , Mobikwik are low service providers as compared to phonepe and google pay many of the customers are looking for the cashbacks and also as every apps has the failure rate but people are more looking for the cash backs then compared to discounts because through payment apps many cashback are rewarding and customers are satisfying with the cashback. So the factors are affecting the app behavior of customers regarding the cashback offers on payment apps .

Authors like Dr. P. Lakshmi Narayanamma , Meghana, K., & Tripathi , Ballestar, M. T., Grau-Carles et al. supported these findings with similar conclusions in their studies.

10 . IMPLICATIONS

For people that use Payment Apps

Huge choice in content. Convenient viewing. Access on any device that they own. Better deals due to competition in the Payment Apps

For companies

The service providers need to focus on quality of content, pricing of their services & other unique factors if they want to attract customers to their platforms.

For smaller Payment Apps

They need to focus on creating incredible exclusive content that can only be viewed on their platforms which will drive customers to use their Apps. They should also study the practices which were followed by the current Payment apps leaders when they were operating at a smaller scale.

For traditional services

These services need to adapt to the current times by offering choice to customers. The Phonepe , Google pay has shown adaptability by offering its services across Cashbacks on purchasing

These traditional services need to adapt or they will cease to exist.

REFERENCES

Ho, Y. C. C., Ho, Y. J. I., & Tan, Y. (2013, May). Online cashback pricing: a new affiliate strategy for e-business. In *Proceedings of the 34th international conference on information systems (ICIS)*.

Mishra, A., Gunasekar, S., & Gupta, D. (2016, December). Influence of product perception and discounts on the preference of online payment. In *2016 IEEE International Conference on Computational Intelligence and Computing Research (ICIC)* (pp. 1-4). IEEE.

Meghana, K., & Tripathi, S. V. (2018). Digital payment system for economic sustainability. A case study of Gujarat Narmada Fertilizers and Chemicals Ltd in India. *Organizacja i Zarządzanie: kwartalnik naukowy*.

Jung, E. Y., Baek, C., & Lee, J. D. (2012). Product survival analysis for the App Store. *Marketing Letters*, 23(4), 929-941.

Pinem, R. J., Afrizal, T., & Saputra, J. (2020). The Relationship of Cashback, Discount, and Voucher toward Decision to Use Digital Payment in Indonesia. *Journal of Talent Development and Excellence*, 12(3s), 2766-2774.

Doub, A. E., Levin, A., Heath, C. E., & LeVangie, K. (2015). Mobile app-etite: Consumer attitudes towards and use of mobile technology in the context of eating behaviour. *Journal of direct, data and digital marketing practice*, 17(2), 114-129.

ESWARAN, K. K. (2019). CONSUMER PERCEPTION TOWARDS DIGITAL PAYMENT MODE WITH SPECIAL REFERENCE TO DIGITAL WALLETS.

Lee, C., Yun, H., Lee, C., & Lee, C. C. (2015). Factors affecting continuous intention to use mobile wallet: Based on value-based adoption model. *Journal of Society for e-Business Studies*, 20(1).

- Ballestar, M. T., Grau-Carles, P., & Sainz, J. (2019). Predicting customer quality in e-commerce social networks: a machine learning approach. *Review of Managerial Science*, 13(3), 589-603.
- Vana, P., Lambrecht, A., & Bertini, M. (2018). Cashback is cash forward: delaying a discount to entice future spending. *Journal of Marketing Research*, 55(6), 852-868.
- Hrabosky, L. (2012). *U.S. Patent No. 8,296,235*. Washington, DC: U.S. Patent and Trademark Office.
- Veeramachaneni, J. K., Miles, M. J., Adams, B. C., & Lathia, M. (2010). *U.S. Patent Application No. 12/360,426*.
- VT, S., Aithal, P. S., & Shenoy, S. (2019, June). Factors Which Influence On-Line Buying Behavior During Festive Season. In *Proceedings of National Conference on ADVANCES IN MANAGEMENT, IT, EDUCATION, SOCIAL SCIENCES-MANEGMA* (pp. 21-26).
- Van Triest, S., Bun, M. J., van Raaij, E. M., & Vernooij, M. J. (2009). The impact of customer-specific marketing expenses on customer retention and customer profitability. *Marketing Letters*, 20(2), 125.
- Gautam, S., Kumar, U., & Agarwal, S. (2020, June). Study of Consumer Intentions on Using Mobile Wallets Using TAM Model. In *2020 8th International Conference on Reliability, Infocom Technologies and Optimization (Trends and Future Directions)(ICRITO)* (pp. 203-207). IEEE.
- Kaushal, T. (2017). Adoption of M-wallet payment system by hospitality industry of Chhindwara city- issues and challenges. *International Journal in Management & Social Science*, 5(9), 28-35.
- Deka, P. K. (2020). Intention to use mobile wallet by youths in northeast India. *Journal of Management in Practice (Online Only)*, 5(1).
- Nastasoiu, A., & Vandenbosch, M. (2019). Competing with loyalty: How to design successful customer loyalty reward programs. *Business Horizons*, 62(2), 207-214.
- Grover, P., Kar, A. K., & Ilavarasan, P. V. (2017). Understanding nature of social media usage by mobile wallets service providers—an exploration through SPIN framework. *Procedia computer science*, 122, 292-299.
- Allison E Doub, Aron Levin... in *Journal of Direct, Data and Digital Market...* (2015)