



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## "ENHANCING USER EXPERIENCE IN DIGITAL PAYMENTS: DESIGN, CONVENIENCE, AND TRUST"

**J. JAYASHREE**

Ph.D Research Scholar, Reg. No: BDU2210122780202, PG and Research Department of Commerce, Seethalakshmi Ramaswami College (Autonomous) Affiliated to Bharathidasan University, Tiruchirappalli, Tamilnadu, India.

**Abstract:** Improving the user experience is key to encouraging mass acceptance and long-term usage of digital payments, which are becoming more and more popular in this period. This paper focuses on three essential elements—design, convenience, and trust—that enhance the user experience with digital payments. It explores the significance of using user-centric design principles to create payment interfaces that are simple to use and satisfy a wide range of user needs. In addition, it highlights the significance of simplicity in digital payment procedures, including streamlined onboarding, expedited and secure transactions, and customized features that enhance user contentment and involvement. Another crucial component is developing trust, and this study explores how to accomplish this with digital payment systems by using strong security protocols, open data practices, and efficient communication. It also highlights the role of financial literacy and education in fostering user confidence and promoting responsible digital payment behaviour. Digital payment providers may enhance the user experience and boost adoption and engagement by comprehending and tackling these concerns. The insights presented in this paper aim to guide industry practitioners, policymakers, and researchers in their efforts to design and implement user-centric digital payment solutions that drive convenience, trust, and ultimately, user satisfaction.

**Index Terms - Digital Payments, Convenience, Design, Trust, Customers, Satisfaction.**

### I. INTRODUCTION

Digital payments have become a revolutionary force in today's rapidly evolving digital economy, transforming the way both consumers and organizations conduct financial transactions. To promote broad acceptance and sustained engagement, it is crucial to focus on and improve the user experience as the usage of digital payment methods rises. The design, convenience, and trust aspects of digital payments are highlighted in this study as it explores the core elements that support a great user experience.

### II. OBJECTIVES OF THE STUDY

- ✚ To understand the Factors that influence a positive user experience in Digital Payments
- ✚ To explore the Trend of Digital Payments in the FY 2023

### III. METHODOLOGY

The present study is descriptive in nature. This study is only focused on Secondary data and the data have been collected from journals and articles related to Digital payments.

### IV. FACTORS INFLUENCE A POSITIVE USER EXPERIENCE IN DIGITAL PAYMENTS

#### User-centric design

The foundation of developing a smooth and simple digital payment experience is user-centric design. By considering the needs, preferences, and limitations of various user types, payment interfaces may be aesthetically pleasing, intuitive, and simple to use. Accessibility, responsiveness, and personalization are just a few of the elements that user-centric design takes into account to make sure that digital payment systems are suitable for a broad spectrum of users, including those with various levels of technological knowledge.

#### Convenience

Another important factor in improving the digital payment user experience is convenience. Users of today expect payment procedures that are simple, quick, and fit into their busy schedules. A seamless experience is facilitated by expedited transaction processing, streamlined authentication processes, and simplified onboarding procedures. Additionally, elements that allow for customization—like personalized transaction histories, customized suggestions, and flexible payment options—enhance the user experience and promote simplicity and pleasure.

#### Trust

Building trust is essential to encouraging user confidence and promoting the widespread adoption of digital payment systems. Users desire reassurance regarding the security of their financial transactions and data. Strong security protocols, such as two-factor authentication, encryption, and real-time fraud detection, provide users with trust in the truthfulness of digital payment systems. Payment providers and consumers can develop trust by implementing transparent data practices, such as well-defined privacy rules and efficient communication regarding data usage and protection. Furthermore, enlightening consumers through financial literacy programs on risks and best practices related to digital payments enhances user trust and promotes responsible use.

#### Financial literacy and education

A key factor in determining user behaviour and confidence with digital payments is financial literacy and education. Providing users with information on the advantages, potential hazards, and security protocols linked to digital payments fosters autonomy and educates them to make well-informed choices. A safer and more reliable digital payment environment is created through financial literacy initiatives that offer advice on secure digital payment methods, inform users about potential fraud and phishing attempts, and highlight the value of routinely monitoring transactions.

Digital payment providers may greatly improve the user experience and encourage more adoption and long-term involvement by emphasizing design, convenience, and confidence.

### IV. TOP DIGITAL PAYMENT TRENDS IN THE FY 2023

#### Cross-border instant payments

International business prospects are increasing in tandem with the payments industry's globalization. Faster and more secure international payment solutions are now required as an outcome. Cross-border instant payments provide instantaneous connections between financial institutions and systems in two or more countries, providing companies and consumers with the chance to transact in real time. A 2020 Juniper Research analysis projects that in 2022, quick payments—funds paid in less than ten seconds—will make up 9.3% of total B2B transaction volume. The study additionally emphasizes that due to blockchain technology may provide more efficiency and transparency, it is expected to become more and more important in the cross-border market. Still, there is a lot of potential for growth and innovation in the market for cross-border fast payments. According to International Monetary Fund (IMF) research from November 2022, cross-

border payment connections between two nations need to be customized, which requires "time and significant efforts" to complete. The International Monetary Fund highlights that multilateral cross-border payment platforms provide a potential pathway that may have a "transformational impact" in the cross-border instant payment sector. Recognizing this development, the EU released a fresh proposal in October 2022 to change the current laws governing instantaneous cross-border payments.

### **Contactless Payments: Virtual cards and Wallets**

Kantar Public released a Study on New Digital Payment Methods in March 2022. The primary goal of this study was to provide the European Central Bank with a deeper knowledge of the preferred payment methods and spending patterns of people living in the Euro region. A significant finding is that people prefer contactless payments more than traditional methods. The survey found that the use of contactless cards has grown since the COVID-19 outbreak began.

The most popular payment methods that were found also included mobile payment options like apps and digital wallets. The primary rationales provided by users for their preference for mobile payments are expediency, ease of use, and convenience.

### **Buy Now, Pay Later (BNPL) for B2B**

A financial service provider will allow clients to pay for a good or service in several small, interest-free instalments under a buy now, pay later (BNPL) option. Although the client has more financial flexibility, the company that provides the goods or services does not miss out on sales. A BNPL provider will frequently reimburse the company for the whole purchase price, managing the instalment loan payments with their customer directly. Beyond the typical B2C use case, additional business opportunities are presented by the increasing regulation of BNPLs. B2B businesses, for example, provide more reliable and secure services.

For business-to-business enterprises, one of the main benefits of being eligible for financing note loans (BNPLs) is their capacity to facilitate large purchases without requiring payment in advance, making them tools equivalent to investments. A rapidly expanding digital payment trend, bill-for-lease (BNPL) is becoming more and more common in both the B2C and B2B sectors. In fact, from 2022 to 2030, the worldwide BNPL market is projected to expand at a pace of 26% per year, making \$39.41 billion (USD) in valuation by the end of that period.

### **Variable recurring payments**

Taking use of Open Banking services is more crucial than ever, with 71% of small-to-mid-size businesses predicted to implement them by 2022. Numerous innovative digital payment techniques have been prompted by the growth of Open Banking payments. Variable recurring payments, or VRP for short, are one such technique that will undoubtedly become a major payment trend in 2023. VRPs make use of the authorizations offered by Open Banking agreements to enable approved payment providers to make payments on behalf of users as long as they stay under the parameters of the agreement. When compared to other regular payment methods like direct debits, this has been determined to be a superior choice. An IT business may, for example, provide a B2B corporation with a scalable solution with pricing adjustments based on usage. Within the parameters of the agreement, a VRP might be utilized to automatically execute these payments when drafting a payment agreement for this solution. The ability to facilitate almost instantaneous payments, which is much desired by both consumers and companies, is one of the main benefits of VRPs. Though it's only accessible in the UK for now, we're excited about its potential spread throughout the rest of Europe.

### **Peer-to-Peer payments (P2P)**

Peer-to-peer, or P2P, payments have been around for a while, but as the market for digital payments expands, they are becoming more and more prevalent. Due to the growing digitization of the sector and the rising prevalence of smartphones in the payments environment, the P2P market is expanding at an accelerated rate on a global scale. A September 2022 industry research projects that by 2030, the worldwide P2P market will be valued at \$9,135 billion (USD). As previously stated, the rise in P2P payments is mostly

due to smartphone usage. This is a positive thing since it may assist in lowering payment friction and accelerate payment speed even more if P2P payments become more regulated.

## V. CONCLUSION

To improve the user experience with digital payments, this research has examined the crucial elements of design, convenience, and trust. Digital payment providers may build a user-centric ecosystem that promotes adoption, engagement, and overall satisfaction by taking into account these elements along with the way they interact.

Design is essential to producing visually appealing and simple-to-use interfaces that increase user satisfaction and engagement. Easy and comfortable payment experiences are enhanced by user-centric design concepts including personalization, accessibility, and responsiveness.

Digital payments must be convenient, and customers' fast-paced lives are matched by features that streamline transactions, make onboarding easier, and offer tailored experiences. Convenience is a key factor that providers may leverage to increase customer happiness and encourage continued participation.

Building user confidence in digital payment systems requires trust. Strong safety measures, transparent information practices, and good communication foster confidence and reduce user anxieties about security and privacy. Building trust boosts user confidence and promotes consistent use of digital payment systems. The user experience is greatly impacted by the way that digital payments integrate design, convenience, and trust. Convenient and reliable procedures paired with a well-designed interface enhance user happiness, adoption rates, and long-term participation.

Digital payment providers can offer a user-centred environment that promotes convenience, trust, and satisfaction among users by comprehending and resolving the design, convenience, and trust factors. The purpose of this paper is to support researchers, policymakers, and business experts in their endeavours to enhance the digital payment user experience and assist in the development of a reliable and smooth digital payment infrastructure.

## REFERENCES

- [1] Olsen, M., Hedman, J., & Vatrapu, R. (2012, August). Designing digital payment artifacts. In Proceedings of the 14th Annual International Conference on Electronic Commerce (pp. 161-168).
- [2] Dunphy, P., Monk, A., Vines, J., Blythe, M., & Olivier, P. (2014). Designing for spontaneous and secure delegation in digital payments. *Interacting with Computers*, 26(5), 417-432.
- [3] Patil, P. P., Dwivedi, Y. K., & Rana, N. P. (2017). Digital payments adoption: an analysis of literature. In *Digital Nations—Smart Cities, Innovation, and Sustainability: 16th IFIP WG 6.11 Conference on e-Business, e-Services, and e-Society, I3E 2017, Delhi, India, November 21–23, 2017, Proceedings 16* (pp. 61-70). Springer International Publishing.
- [4] Gupta, R., Kapoor, C., & Yadav, J. (2020, June). Acceptance towards digital payments and improvements in the cashless payment ecosystem. In *2020 International Conference for Emerging Technology (INCET)* (pp. 1-9). IEEE.
- [5] Shree, S., Pratap, B., Saroy, R., & Dhal, S. (2021). Digital payments and consumer experience in India: a survey based empirical study. *Journal of Banking and Financial Technology*, 5, 1-20.
- [6] Pisoni, G., Molnár, B., & Tarcsi, Á. (2022). Comparison of two technologies for digital payments: Challenges and future directions. In *Online Engineering and Society 4.0: Proceedings of the 18th International Conference on Remote Engineering and Virtual Instrumentation* (pp. 478-484). Springer International Publishing.
- [7] Panetta, I. C., Leo, S., & Delle Foglie, A. (2023). The development of digital payments—Past, present, and future—From the literature. *Research in International Business and Finance*, 64, 101855.