



Digital Payment Platform and Customer Satisfaction: A Comparative Analysis

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Abstract: The article discusses the emergence of digital payment technologies and how they have revolutionized how customers handle their finances. These payment methods are popular due to their convenience and security, especially in developing nations like India. However, the impact of digital payment methods on consumer satisfaction is still uncertain. The article states that a study is being conducted to examine the variables that affect Indian consumers' satisfaction with digital payment methods, specifically Paytm, PhonePe, and Google Pay. The results of the study could have significant implications for digital payment service providers, researchers, and policymakers. The study aims to enhance our understanding of digital payment methods and their effects on consumer satisfaction. The goal is to offer insights that will enable digital payment providers to improve their services and better understand the requirements and expectations of their customers. Policymakers can also use the findings to promote digital payments and financial inclusion.

Index Terms - Financial Inclusion, Digital Payment System, Consumer Satisfaction, Developing Markets.

I. INTRODUCTION

Due to this development smart technologies and smart devices have become highly vital in our lives. Furthermore, since the introduction of demonetization in India, in 2016 the use of digital payment methods has seen a vast upsurge in use. A digital payment system is a method of electronically transferring money between two parties without the use of physical currency. The introduction of digital payment platforms has significantly changed the Indian economy, and it is anticipated that this trend would continue in the years to come. The delivery and use of financial services in India could be revolutionized by digital payments, resulting in increased financial inclusion, economic expansion, and business accessibility. People can now more easily access financial services thanks to digital payment channels, especially in rural areas with weak traditional banking infrastructure. People can now receive, send, and transfer money without having a bank account thanks to digital payments by lowering transaction costs and boosting transaction speed and efficiency, electronic payment systems have helped India's economy flourish. Overall, the evolution of digital payment systems in India has been fuelled by a mix of government initiatives, private-sector innovation, and shifting consumer preferences. These systems have transformed the way people in India conduct financial transactions, making electronic money transfers easier, faster, and more secure.

The benefits of digital payment systems, including increased efficiency, access, security, and innovation in the financial industry. The use of digital payment systems has made financial transactions faster, safer, and more accessible, contributing to financial inclusion, poverty reduction, and industry innovation. The study compares and evaluates three popular digital payment platforms: Paytm, Google Pay, and PhonePe, based on their market share in terms of transaction volume

PAYTM

Paytm is a digital payment system in India that offers a range of services such as online payments, mobile recharges, bill payments, e-commerce transactions, loans, mutual funds, and insurance. It was introduced in 2010 as a mobile wallet service for cell phone recharges and gradually expanded its offerings. With over 450 million registered users and more than 1.5 billion monthly transactions processed, Paytm is one of India's most widely used digital payment networks. Its UPI-based payment mechanism enables users to transfer money between bank accounts without physical currency exchange or bank transfers.

PHONEPE

PhonePe is a digital payment system that enables users to manage their money online, offering services such as peer-to-peer payments, bill payments, and purchases via a mobile app. It also offers a range of financial services, including mutual funds, insurance, and gold investments. Its UPI-based payment mechanism allows users to transfer money between bank accounts without physical currency exchange. PhonePe has helped promote financial inclusion and a cashless society in India, particularly for those in remote areas without access to conventional banking services. Its popularity has grown due to its safe and practical approach to handling money.

GOOGLE PAY

Google Pay is a digital payment system launched in India in 2017 that allows users to conduct digital transactions, including peer-to-peer money transfers, bill payments, and purchases. It offers a broad range of financial goods and services, such as loans, gold purchase, and insurance payments. The platform also has a feature called "Nearby Spot" that helps users find nearby merchants who accept digital payments. Google Pay uses a UPI-based payment system, which allows users to transfer money between bank accounts without the need for a physical exchange of cash. This has made it easier for people in remote areas to access financial services. The platform has also contributed to the government's efforts to promote a cashless economy and financial inclusion by increasing financial literacy and access to financial products. Overall, Google Pay's digital funding model has become increasingly popular for its convenience and safety, and its emphasis on a variety of financial products and services has set it apart from other electronic payment systems in India.

OBJECTIVES OF THE STUDY:

1. To study the spectrum of digital platform services offered to the customers by the platforms in the era of fintech.
2. To investigate the relationship between digital payment features and customer satisfaction.
3. To draw conclusions based on the research conducted.

RESEARCH METHODOLOGY

The study conducted in India used a mixed-methods approach for data collection, including qualitative methods and quantitative methods such as surveys and secondary data analysis. The research focused on exploring customer satisfaction of Delhi NCR customers of Paytm, Google Pay, and PhonePe. The sample size included 80 respondents who were selected using a simple random sampling technique. The data was presented using pie charts and data tables. The study was conducted between March 2023 and April 2023 and aimed to contribute to the existing literature on digital payment platforms in India and provide insights for policymakers and other stakeholders. The research highlighted the opportunities and challenges for digital payment platforms in India and suggested strategies for their growth and sustainability.

REVIEW LITERATURE

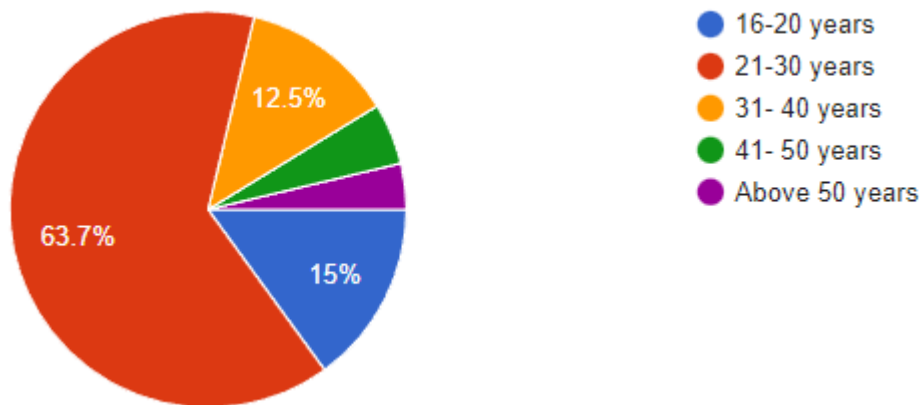
Online payment systems have become essential in modern business transactions, and their use has increased significantly in recent years, especially in India, where platforms like Google pay, Paytm, and PhonePe are integral to the economy. Research shows that customers are generally satisfied with digital payment systems,

with factors like ease of use, security, speed, and convenience being significant determinants of customer satisfaction. However, the adoption of digital payment platforms is still hindered by barriers like low digital literacy, lack of infrastructure, and security concerns. To increase adoption, the government and private organizations must focus on improving digital literacy, infrastructure, and awareness among the population. Perceived usefulness, ease of use, trust, and risk perception are significant factors influencing the adoption of digital payment platforms.

RESULT AND DISCUSSION

1. Demographic assessment

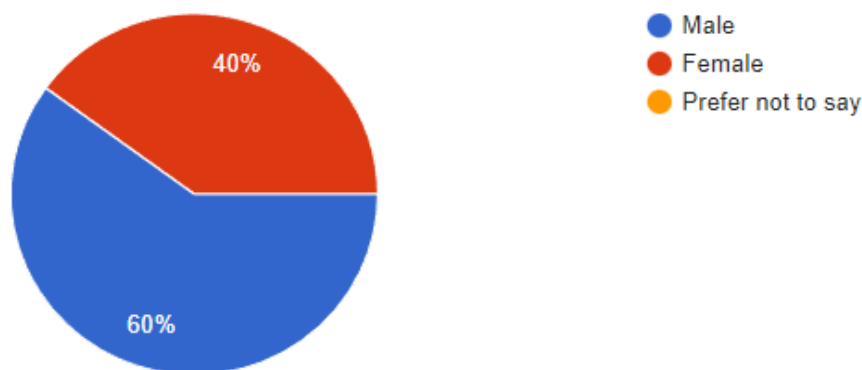
a. Age Group



Analysis and Interpretation:

Above figure shows that 15% respondents are between 16-20 years of age, 63.7% respondents are between 21-30 years old, 12.5% respondents between 31-40 years old, and 5% respondents are between 40-50 and 3.7% respondents are above 50 years and above. Overall result shows that among all of the respondents who has age between 16 to 30 years [$15\% + 63.7\% = 78.7\%$] people are the main users of these payment platforms

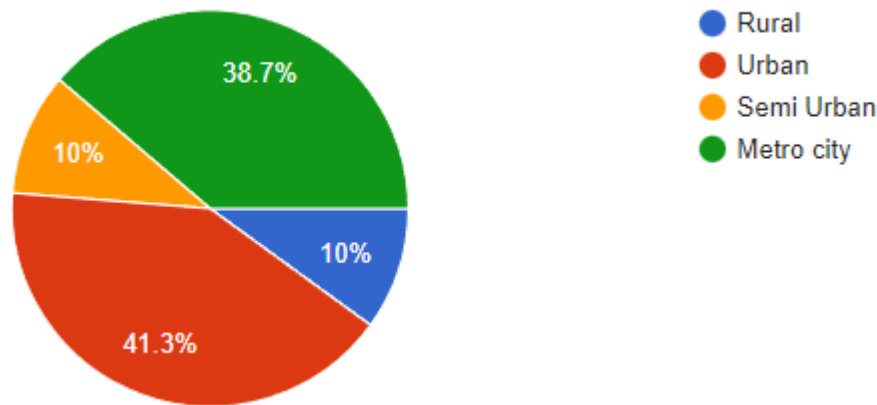
b. Gender of Respondents



Analysis and Interpretation:

According to demography profile, in this study 60% male and 40% female respondents are part of my target population and they help me to fulfil my questionnaire from different area of Delhi NCR from these groups total respondents are 80. So, according to the survey result, the male respondents are mainly the contributors to the use of payment platforms mentioned in the study.

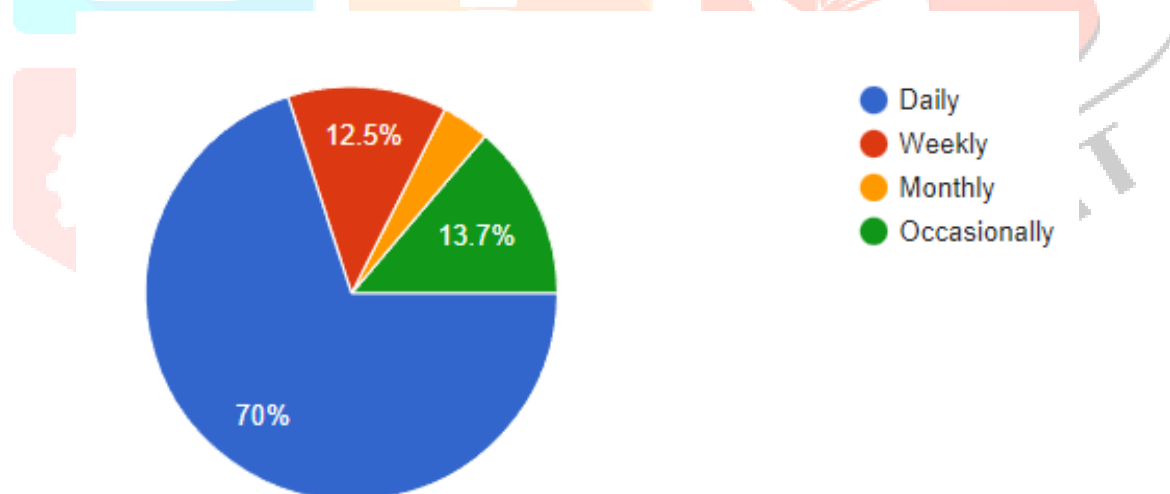
c. Place of Residence



Analysis and Interpretation:

According to the place of residence 33 respondents with 41.3 % belong to urban area 8 respondents with 10% belongs to rural area, similarly 8 respondents with overall percentage of 10% belongs to semi urban area, 31 respondents with 38.7 % belongs to Metro city. It can be concluded that the usage of these is more in Urban and Metro city which account for overall [41.3% + 38.7%] respectively.

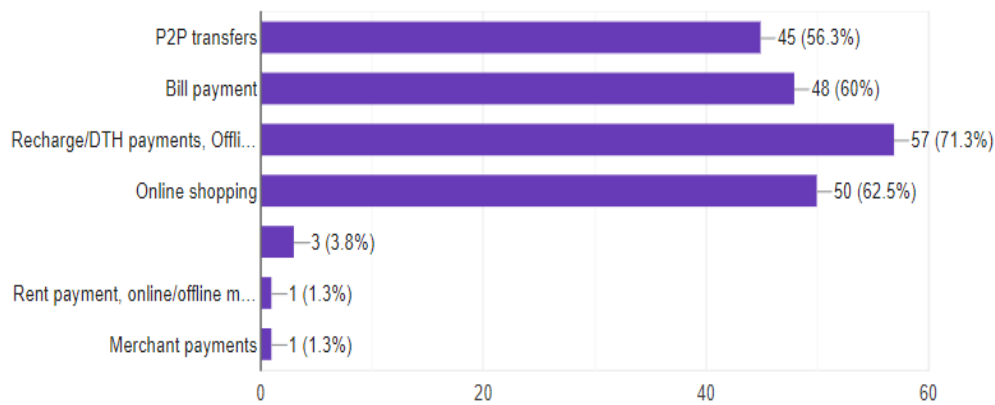
d. Frequency of use



Analysis and Interpretation:

The figure shows that 56 people ie.70% of the people use these digital payment platforms on daily basis, 10 respondents ie. 12.5% people use these platforms on weekly basis, 3 respondents that accounts for 3.7% uses these platforms on monthly basis and 11 respondents ie. 13.7 people uses these platforms occasionally. Results shows that these platforms are used frequently on daily basis.

e. Type of Transaction

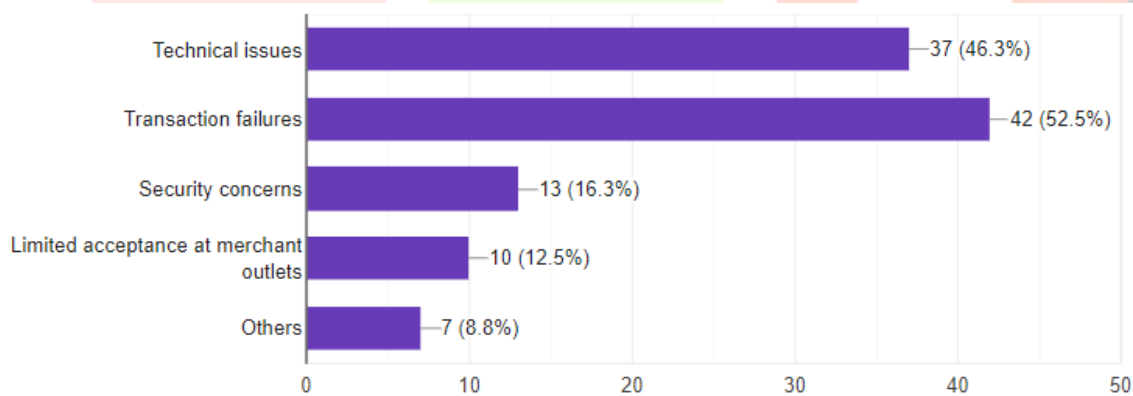


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2. Customer Satisfaction

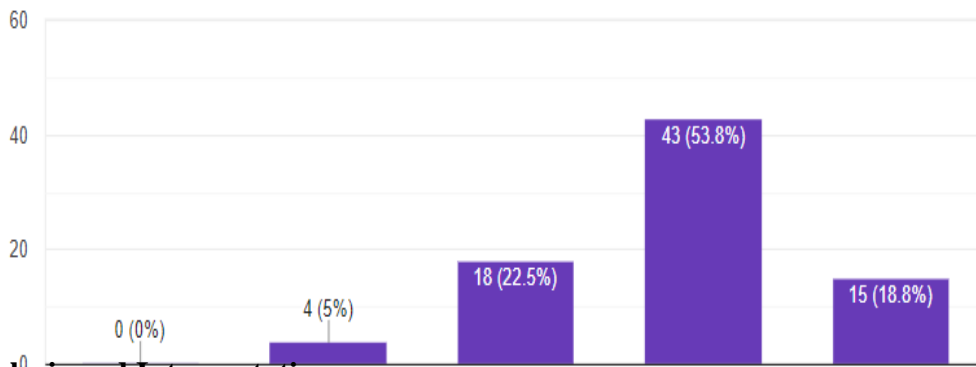
a. Challenges to use of digital platforms



Analysis and Interpretation:

According to the survey, among the mentioned challenges transaction failure is the most prominent issue faced by customers. Further, Technical glitches while payments are also a serious challenge. Further, security concerns are also faced by some customers using these platforms.

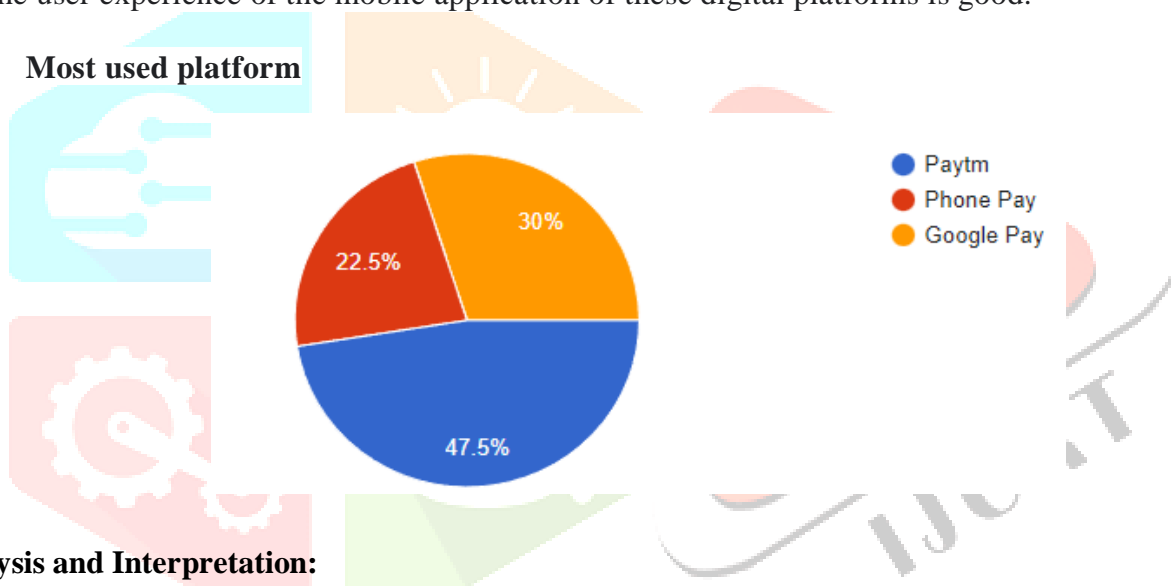
b. User experience



Analysis and Interpretation:

On the scale of 1 to 5, 4 respondents give the rating of 2, 18 people i.e. 22.5% respondents give the rating of 3, 53.8% respondents feel that the rating 4 is suitable for these mobile applications followed by 18.8% chooses to rate as 5 which is highest. From this analysis we can conclude that almost 54% of people feel that the user experience of the mobile application of these digital platforms is good.

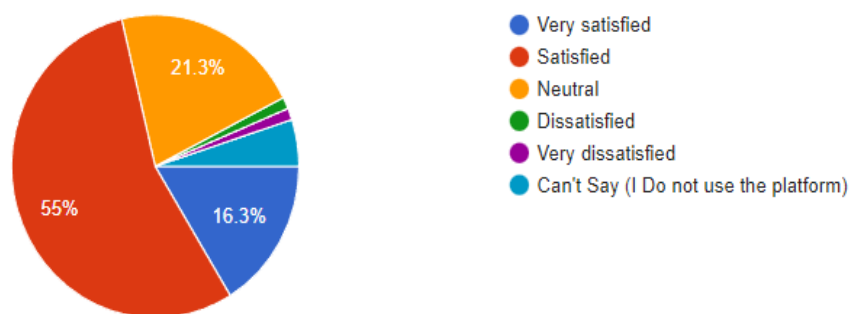
c. Most used platform



Analysis and Interpretation:

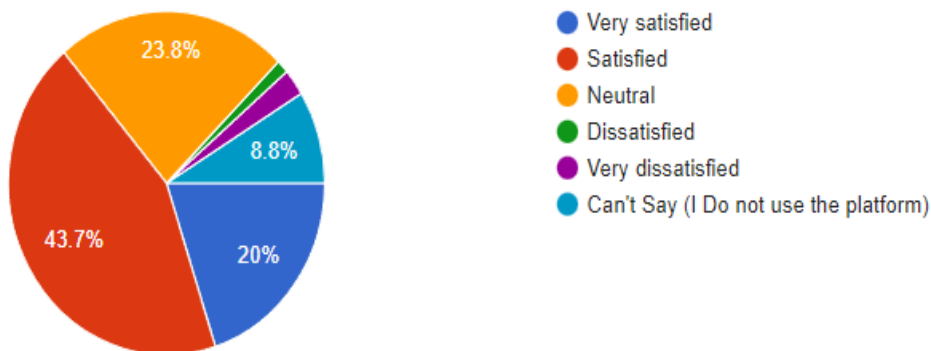
Out of the given three platforms 47.5% of the respondents believe that Paytm is more secure than the other two with a relative percentage of 22.5% and 30% for PhonePe and Google Pay respectively. Out of the total 80 respondents, 38 belong to Paytm, 18 with PhonePe and 24 respondents go with Google Pay in respect of security.

d. Satisfaction rating with the use of Paytm?

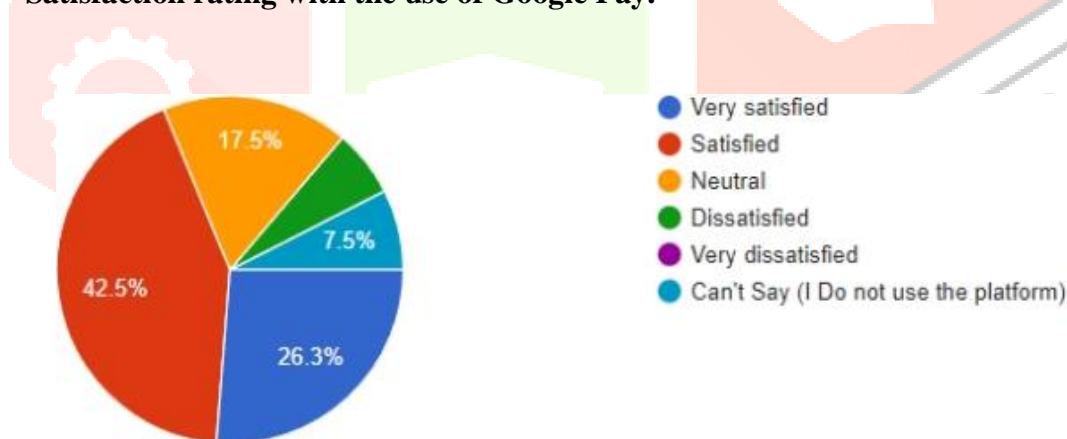


Analysis and Interpretation:

According to the responses obtained it was found that 16.3% respondents were very satisfied by the paytm, followed by 55% respondents were satisfied by the services of paytm, almost 22% of respondents were neutral with no effect, the percentage of people who are dissatisfied by the experience of paytm are very less ie. 1.2% the percentage of very dissatisfied respondents are same ie.1.2% and 5% respondents who either does not use the platform or does not have any view regarding the context.

e. Satisfaction rating with the use of PhonePe?**Analysis and Interpretation:**

According to the responses obtained it was found that 16 % respondents were very satisfied by the Phonepe, followed by 35% respondents were satisfied by the services of PhonePe, almost 19% of respondents were neutral with no effect, the percentage of people who are dissatisfied by the experience of PhonePe are very less ie.1% the percentage of very and 7.5% respondents who either does not use the platform or does not have any view regarding the context.

f. Satisfaction rating with the use of Google Pay.**Analysis and Interpretation:**

According to the responses obtained it was found that 26.3 % respondents were very satisfied by the Google pay, followed by 42.5% respondents were satisfied by the services of google pay, almost 17.5% of respondents were neutral with no effect, the percentage of people who are dissatisfied by the experience of Google pay are very less ie.6.3% and 7.5% respondents are those who either does not use the platform or does not have any view regarding the context.

g. Suggested additional features or improvements in PhonePe, Google Pay, or Paytm

In paytm because of paytm wallet we can add money from bank account to wallet and then do the transaction which is not the case with google pay or PhonePe as they are directly linked with bank accounts which I believe can be a bit risky and that's the sole reason why i only use Paytm.
These apps work on Apple watch also like we can pay through tapping our watches just like apple pay
The maximum limit of transactions across all UPI applications is ₹1,00,000 per day. You can't send money more than 10 times a day.
More cashback offer for the persons who used PhonePe, google pay, and paytm frequently
server should work properly
More financial planning features can be provided related to retirement planning or something else
They should not take extra charge for mobile recharge & dish recharge.

CONCLUSION

The emergence of digital payment technologies has transformed how consumers handle their finances, especially in developing countries like India, where these systems are often preferred due to their convenience and security. However, the impact of digital payment methods on consumer satisfaction is still debatable. A study was conducted to shed light on the factors that affect Indian consumers' satisfaction with digital payment methods, focusing on the three most popular platforms: Paytm, PhonePe, and Google Pay. The study found that a majority of the respondents were aged between 16-30 and used these platforms daily for various transactions. The results of the study can help regulators and digital payment service providers to improve their offerings, better understand their clients' needs and expectations, and promote financial inclusion by illuminating the factors that affect consumer happiness

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