



A STUDY ON CUSTOMER'S SATISFACTION TOWARDS DIGITAL PAYMENT SYSTEM SPECIAL REFERENCE TO UPI TRANSACTIONS

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Abstract

Digital payment now a days commonly used by people of India, considering this an attempt is made to study the satisfaction level of users regarding UPI as digital payment system. For data collection 230 close ended questionnaires was distributed in Sabarkantha district of Gujarat. By convenience sampling technique total 220 questionnaires were utilised for data analysis. By applying percentage analysis, reliability analysis and regression analysis, data were analysed and hypothesis were tested. The result of analysis reveals that amongst four variable, Speed of transaction is considered as solidest forecaster of customer satisfaction. Majority of customers prefers phone pe application on daily basis for UPI transaction of ₹ 1000- ₹ 5000.

Keywords- *Digital Payment System, UPI Transactions, Perception, Satisfaction*

1. Introduction

A digital payment refers to transaction via digital mode and with no physical exchange of money between two parties. Now a days in the midst of all the countries of world, Indian people use highest digital transaction platform like UPI as it is used by shopping malls to all levels even street salespersons also use UPI. According to 2022 data India secures 46% of share in terms of digital transactions and because of this many countries like Thailand, Brazil, South Korea and china follows India.

In the year 2016, UPI transaction in India was moved from one million10 billion that is 1,000 crores transactions. This change is possible only because of Indians are able to manage UPI transaction from shopping malls to street vendors. As per research in 2017 of Global Data, Total volume of transactions was decreased from 90% to 60% and in short period of time ₹



1000 as well as ₹ 500 currency notes were demonetised and due to these uses of UPI transaction had grown rapidly and it has continued its progression route ever since.

Digital payment system in India got success not only because wide arrangements of payment system but interactive push which encouraged the users to uses digital payment over cash. This interactive push or behavioural change of users are based upon accessibility of the system and trust of innovative system which ensure its significance to group of users.

The system creates a trust among users even street vendors or small merchants in India because of small innovative voice devices which announce the amount of money received with payment by any QR code. Thus, users are fully trusted on digital payment system and encouraged for use. UPI works based on Virtual payment address which allows to make payments without sharing any bank details.

Payment through UPI is as simple as sending message on mobile. UPI uses are convenient, transparent and contributing to financial inclusion. The growth of UPI not only shift the usage of cash payment but it also evacuated other methods of digital payments like Debit Cards as its usage decreases year on year for merchant payments. Through UPI apps mobile wallet facility also used by large number of people.

Alternatively, UPI offers the choice to the user to select any service provider regardless of customer's bank account. This leads to power of choice so that users can use any pay by preferred UPI apps for payment purposes. Due to huge usage of UPI, RuPay credit cards integrated with it and provides benefits of UPI as well as credit card facility in one basket. This collaboration provides benefits of credit facility through UPI.

Now a day's Indian digital payment system is drawing attention of world and from local realisation India set ups NPCI -National Payments Corporation of India. This platform provide facility for payments outside the India through NIPL. For expansion of UPI transaction, RBI and NIPL (NPCI International Payments Limited) make an agreement with more than 30 countries.

At national level UPI expanded the market of E-commerce as it provides safe and appropriate payment method. Digital payment system boosts the digital India initiative which encourages cashless economy in addition to powerful financial inclusion. UPI is the key factor of growing digital payment platform.



UPI has become a substance for the growth of digital payments. By leveraging UPI's advantages and harnessing its potential, India is dignified to accomplish greater financial empowerment in addition to economic advancement in recent time.

2. Literature Review

(Goswami, Goswami, & Shakdwipee, 2023) identifies the key factors that contribute to user satisfaction with Digital Payment users towards UPI. By distributing structured questionnaires, primary data were collected. The variables of study were speed of transactions, security, and trust, ease of use, usefulness and overall UPI system satisfaction. In this study total 120 responses were collected from customers who uses UPI for payment purpose. The results of study indicates ease of use was main factor for satisfaction of user.

(Pushkala & Pappeswari, 2021) in their research identify satisfaction as well as awareness regarding UPI and basis for selection of mode for digital payments. Primary data were collected only from 75 users of UPI through self-administered structured questionnaire. The sampling method was convenient sampling. The data was analysed by using f-test and kendall's co-efficient of concordance to know about the satisfaction as well as awareness regarding UPI.

(Appukuttan & R, 2019) investigates the determinants influencing consumer satisfaction regarding services of online banking of selected retail banks situated in Visakhapatnam, India. The target respondents of this study was users of online banking services. Total 200 responses were utilised and data was analysed by applying frequency, chi square and factor analysis has been used. The result of analyses highlights prime factors affecting consumer's satisfaction regarding internet banking as security, customer service.

(Chaudhari & Chaudhari, 2019) find out the perception of customers regarding traditional service with consideration of UPI services and also check it's influence on satisfaction level of consumer regarding UPI services. Primary data were utilised through structured questionnaires which was distributed to 100 users of UPI. The result of data analysis reveals positive attitude of UPI users and the prime concern of users was 'transparency with safety and security'



(Suresh & Singh, 2017) conducted research on customer behaviour regarding banking services and concluded that the prime factors responsible for satisfaction of consumer was efficiency, security, easy fulfilment of demand and effectiveness of cost. By applying random sampling method total 100 sample were collected and used for data analysis. The result indicates that customers are satisfied with mobile banking and there is marvellous rise in the consumers of mobile banking services.

(Roy & Sinha, 2017) helped to know about factors affecting customers' adoption of electronic payment. For data collection structured questionnaire was used and total 465 responses have been collected. Factor analysis and multiple regression analysis result reveal that convenience (ease of use), perceived usefulness and security had significant impact on customers' perception regarding electronic payments.

(Muhsina & Imran , 2015) in their study find out the factors impacting satisfaction of consumer regarding mobile banking. Qualitative data has been collected using questionnaire by applying random sampling technique. The data was analysed through cross tabulation, ANOVA and regressions analysis. The finding of analysis reveals that security and trust were significant influential factor on customer satisfaction.

(Zohra & Kashif , 2011) conducted a research in Pakistan to examine association between satisfaction level of consumers and adoption of mobile banking. For data collection structured questionnaires was distributed and the data was analysed by employing factor analysis, regression, and correlation analysis. The findings of analysis highlights consistency, security and ease of use were associated with satisfaction level of consumers

3. Research Gap

In India many previous studies reveals that people prefer cashless payments over cash payments after demonetization. Many researchers' focuses on usage of online payment platform and limited studies focuses on UPI usage by users. At current scenario huge number of transaction have been carried out by individuals through various UPI apps and online platforms. As usage of digital transaction increase more than 80%, it is essentials to identify the factors responsible for satisfaction of users so there is need to identify the factors responsible for customer's satisfaction towards UPI transactions.



4. Research Methodology

Objectives of study

1. To examine customer's satisfaction towards digital payment system special reference to UPI transactions.
2. To check the impact of speed of transaction on the customer satisfaction towards UPI transactions.
3. To explore the influence of perceived Ease of transaction on the customer satisfaction towards UPI transactions.
4. To study impact of security of transaction on the customer satisfaction towards UPI transactions.
5. To examine impact of customer service on the customer satisfaction towards UPI transactions.

Research Design

The nature of current study is descriptive and analytical. For analysis of data SPSS 23 has been used. Percentage analysis, reliability analysis and regression analysis has been used for checking the impact and relationship between the dependent and independent variables. Here dependent variable is Customer satisfaction while security, ease of use, speed and Customer Service are independent Variables.

Data Collection

This study utilises primary data by distributing structural questionnaire while various journals and websites has been used for Secondary data.

Sample size and Technique

Total 220 respondents have been selected from rural areas of Sabarkantha district of Gujarat and convenience sampling technique has been used after distributing 230 questionnaires. First section of questionnaires signifies respondent's demographic profile while second sections characterises dependent variable and independent variable which was measured by using a five point Likert scale. Variables was marked from very good to very poor.



Hypothesis

H₀₁: There is no substantial impact of speed of transaction on the customer’s satisfaction towards UPI transactions

H₀₂: There is no substantial impact of perceived ease of transaction on the customer’s satisfaction towards UPI transactions

H₀₃: There is no substantial influence of security of transaction on the customer’s satisfaction towards UPI transactions

H₀₄: There is insignificant impact of Customer service on the customer’s satisfaction towards UPI transactions

5. Analysis Of Data & Result.

Respondent’s Demographic profile.

Table-1.Respondent’s Demographic profile.

		No. of Frequency	Percentage. (%)
Gender	Male	167	75.83
	Female	53	24.17
	Total	220	100.00
Education	Below HSC	17	5.83
	Diploma	28	12.50
	Graduate	101	45.83
	Post Graduate	75	34.17
	Other	0	0
	Total	220	100.00
Age	Lower than 20 years	18	8.33
	21 years to 30 years	108	49.17
	31 years to 40 years	44	20.00
	41 years to 50 years	37	16.67



	Above 50 years	13	5.83
	Total	220	100.00
Annual Income	Less than ₹ 100000	28	12.50
	₹100001 to 200000	83	37.50
	₹200001 to 300000	64	29.17
	₹300001 to 400000	39	17.50
	More than ₹ 400000	7	3.33
	Total	220	100.00
Application used for UPI	Phonepe	94	42.50
	Goggle pe	64	29.17
	Paytm	39	17.50
	Bhim	22	10.00
	Other	2	0.83
	Total	220	100.00
Amount Spent per UPI transaction	₹ 1 to ₹ 1000	22	10.00
	₹ 1000 to ₹ 5000	84	38.33
	₹. 5000 to ₹ 10000	77	35.00
	More than 10000 ₹.	37	16.67
	Total	220	100.00
UPI transaction Frequency	Daily	83	37.50
	Occasionally	57	25.83
	Once in week	29	13.33
	Once in a month	51	23.33
	Total	220	100.00
Reason for using UPI	Good offers	9	4.17
	Easiness	59	26.67
	Secured	39	17.50
	Faster	114	51.67
	Total	220	100.00

(Source- Primary Data)



Table-1 represents respondent’s demographic profile in which 75.83% are male while 24.17% are female. Utmost respondents is graduate (45.83%). From the total respondents between the age group less than 20 years is 8.33%, 21 to 30 years of age are 49.17%, 31 to 40 years of age are 20.00 %, and 41 to 50 years of age are 16.67% and Above 50 years of age are 5.83%. Annual income of majority 37.50% respondents belongs between ₹ 100001 to 200000. Majority 42.50% respondents use phone pe application for UPI transaction. Majority 38.33% respondents spent ₹ 1000- ₹ 5000 per UPI transaction. Frequency of UPI transaction is daily basis by majority 37.50% respondents. The main reason for using UPI is Faster (51.67%) followed by Easiness (26.67%).

Reliability Analysis

Reliability analysis is essential for checking the value of Cronbach’s alpha of questions set by the researcher and if the value is more than 0.7 it is considered as acceptable. In present study Cronbach’s alpha value of independent variable like speed of transaction, customer service, perceived security, perceived ease of use and dependent variable customer satisfaction of UPI has been used to check the reliability.

Table-2. Reliability Test.

Variables.	No. of Items.	Value of Cronbach's Alpha.
<u>Dependent</u>		
Customer satisfaction towards UPI transactions.	4	0.910
<u>Independent</u>		
Speed of transaction.	4	0.851
Perceived ease of use.	4	0.861
Perceived security.	4	0.895
Customer service.	4	0.799

(Source- Primary Data)



Table-2 signifies reliability analysis of independent and dependent variable. As can be seen the Conbach’s alpha value of the variables are in excess of 0.7 so they are at acceptable level.

Factor analysis.

In present study factor analysis has been applied to explore the factors associated with 20 items using PCA. The value of KMO should be 0.60 or more than that to perform factor analysis.

Table-3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.815
Bartlett's Test of Sphericity	Approx. Chi-Square	852.174
	df	210
	Sig.	.000

(Source- Primary Data)

As revealed in table-3 KMO and Bartlett's Test of Sphericity both are highly significant and all variables were acceptable for factor analysis which is 0.815

Multiple regression analysis.

For determination of relationship between dependent as well as independent variable regression analysis has been used. In current study developed hypothesis has been verified by means of multiple regression analysis.

Table-4.Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 ^a	.615	.599	.675
a. Predictors: (Constant), Speed of Transaction, Perceived Ease of Use, Perceived Security, Customer Service				

(Source- Primary Data)

From the table-4 it can be seen that value of R² is 0.845 which implies that84% of the variation in customer satisfaction towards UPI transactions can be explicated byfour



independent variable furthermore it can be supposed that current model is effective to determine the relationship.

Table-5. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.994	.497		2.335	.020
Speed of transaction	.398	.107	.550	3.409	.000
Perceived ease of use	.278	.109	.351	2.305	.021
Perceived Security	.399	.194	.201	2.205	.029
Customer Service	.194	.095	.205	2.321	.030

a. Dependent Variable: customer satisfaction towards UPI transactions

(Source- Primary Data)

Table-5 represents Coefficients. Here developed hypothesis has been verified through multiple regression analysis, if the significance value of variable is below 0.005 alternative hypothesis will be rejected and if it is over and above 0.005, alternative hypothesis is will be accepted so on the basis of above table-5 it can be concluded that

H₀₁: (Speed of transaction)

As result of regression analysis shows value of P is below 0.005, here researcher **fail to accept** null hypothesis, and thus it implies there is substantial impact of speed of transaction on the customer’s satisfaction towards UPI transactions. As beta value is 0.550 which indicate positive relationship.

H₀₂: (Perceived ease of use)

As significance value of perceived ease of use is below 0.005, here null hypothesis is **rejected**, thus it is concluded momentous impact of perceived ease of transaction on the satisfaction of customer towards UPI transactions. By way of beta value 0.351 which indicate positive relationship.



H₀₃: (Perceived Security)

As result of regression analysis significance value of perceived security is under 0.005, here alternative hypothesis is accepted so there it can be conclude that Perceived security has significant impact on the consumers satisfaction towards UPI transactions. Here beta value is 0.201 which indicate positive relationship.

H₀₄: (Customer Service)

Significance value of Customer Service is not more than 0.005 as a result we **fail to accept** null hypothesis which indicates substantial impact of customer service on the consumer's satisfaction towards UPI transactions and beta value indicate positive relationship.

6. Major Findings

- Speed of transaction, perceived ease, and perceived security of transactions well as customer service has positive impact on customer satisfaction towards UPI transactions.
- According to respondent's demographic profile 75.83% are male and uppermost are graduate 45.83 %. Age of majority respondents is 21 to 30 years (49.17%) while 37.50% respondent's annual income belongs to ₹100000 to ₹ 200000.
- Majority 42.50% respondents use phone pe application for UPI transaction and 38.33% respondents spent ₹ 1000- ₹ 5000 per UPI transaction. Frequency of UPI transaction is daily basis by majority 37.50% respondents. The main reason for using UPI is Faster (51.67%) followed by Easiness (26.67%).

7. Limitation

- This study is limited to Sabarkantha district of Gujarat only.
- In current study structured questionnaire has been used for primary data collection which may suffer from biases of respondents
- In this study merely 220 responses are taken from various geographical area of Sabarkantha district of Gujarat which may not represent actual population



8. Conclusion

Now a day's majority people in India has accepted the digital payment for transaction as one of the best initiative made by Indian government. The present study examine the customer's satisfaction towards digital payment system special reference to UPI transactions. After analysis of collected data it concludes that all four independent variable have substantial impact on dependent variable customer's satisfaction of UPI. Out of four independent variable Speed of transaction is acknowledged as solidest forecaster of customer satisfaction which indicates that customer's uses UPI transaction because of speediness of tansactions which is done in seconds. As per percentage analysis upper amount spent per UPI transaction is ₹ 1000- ₹ 5000 and majority of customers prefers phone pe application on daily basis for UPI transaction. As per result of analysis all four independent variables have association with customer satisfaction but it is not assured that all four independent variables are the solitary factors of customer satisfaction.

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