

CUSTOMER SATISFACTION AND AWARENESS OF DIGITAL PAYMENT SYSTEMS AT KOTTAYAM DISTRICT, KERALA

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INTRODUCTION

Today, we can see a meteoric rise in the usage of internet banking and mobile banking apps in India. Payments done digitally are referred to as digital payments. Both the payer and payee utilise digital forms of payment to send and receive money. India is progressing on the path of the greatest digital revolution in its history. The digital payment system will be a critical milestone in the transition to a cashless economy in the coming years. A digital payment system is an electronic medium that enables customers to conduct e-commerce and money transfers. The expansion of digital payment in India is expected to be fueled by digital payment service providers, an efficient banking regulatory system, and customer experience, all of which are drivers of growth for digital payment in India.

The digital payment system is gaining significant traction, especially after India's currency devaluation. The Indian government is taking several initiatives to ensure the optimal use of digital payment systems to eradicate corruption and black money from the Indian economic system. Currently, over 60% of money transfers occur through digital channels. While the public commonly acknowledges digital payment, there are a few issues about the digital payment system's processing. To promote and accelerate the use of the digital payment, India has seen the emergence of a slew of digital payment systems. According to reports, Prime Minister Mr Narendra Modi's declaration of demonetisation is a contentious step to root out corruption in the community. Not only will the move impact the economy, but it will also lay the groundwork for a more transparent, digital, and modern India.

Paytm, Freecharge, Vodafone's M-Pesa, Airtel's Payments Bank, and MobiKwik have actively promoted their digital payment apps, using the Aadhaar KYC verification. At the same time, the National Payments Corporation of India (NPCI) created the Bharath Interface for

Money app (BHIM).

Numerous providers facilitate the expansion of digital payments and the shift from a cash economy to a cashless one. These enablers include widespread internet access on smartphones, non-banking financial institutions that facilitate digital payments and one-touch payments, the growth of the financial technology industry, and the government pushes via incentives and tax exemptions. All these reasons contribute to the development of the digital payments industry. In light of this, it is critical to examine client satisfaction and knowledge about digital payment systems in the Kottayam district.

STATEMENT OF THE PROBLEM

The previous decade has witnessed a remarkable increase in India's internet usage and mobile phones. Today, mobile users use their smartphones to carry out financial transactions using the applications installed on their phones. Digital payment refers to digital customer transactions done at the Point of Sale (POS) for goods and services using mobile banking apps installed in smartphone or debit/ credit card payments. Hence the topic of the study is stated as "A study on customer satisfaction and awareness on digital payment systems at Kottayam district".

OBJECTIVES OF THE STUDY

- To find out whether the customers are satisfied with the digital payment systems.
- To analyse the awareness level of customers about digital payment systems.
- To evaluate the priority of the customers about digital payment systems.
- To check whether the customers face any problem in dealing with DPS and to make suggestions

SCOPE OF THE STUDY

The study is conducted in the Kottayam district. The scope of the study covers the people who use digital payment systems. Maximum efforts have been made to ensure that the sample selected represent different categories of people in all respects. So, the sample selected for the study include respondents from different walks of life and area. The study focuses on understanding customer satisfaction and awareness of DPS.

RESEARCH METHODOLOGY**Collection of Data**

Both primary and secondary data are used for conducting the study

❖ Primary data

Primary data is collected from students, farmers, business people etc. by issuing the questionnaire specifically designed for the study.

❖ Secondary Data

Secondary data were collected from various published and unpublished sources, magazines, journals, the internet, etc.

Sampling design

The study's data collection instrument was a structured questionnaire administered to a random sample of 100 clients in the Kottayam district.

Sample size

A sample size of 100 respondents was selected for this research study.

Tools used for the study

The data collected were analysed by using appropriate statistical and mathematical techniques. Test of ANOVA, Percentage, pie diagram, bar charts, graph etc., was used to present the data in a simple manner.

Questionnaire

This study includes both open-ended and close-ended questions

Hypothesis

The study is based on the following hypothesis:

- a. In DPS, there is no substantial difference between client age and understanding.
- b. There is no significant relationship between respondents' profession and their level of satisfaction in the DPS.

DIGITAL PAYMENT SYSTEM

The Indian government has taken several steps to encourage and support digital payments in the nation. The government intends to build a 'digitally empowered' economy that is 'Faceless, Paperless, and Cashless' as part of the 'Digital India' programme. Digital payments come in a variety of forms and mechanisms. Several of them include the usage of debit/credit cards, online banking, mobile wallets, and digital payment applications, as well as the Unified Payments Interface (UPI) service, Unstructured Supplementary Service Data (USSD), bank prepaid cards, and mobile banking. In the recent decade, India has experienced a remarkable increase in the usage of the internet and mobile phones. Increased internet usage, smartphone penetration, and government programmes such as Digital India all contribute to the exponential expansion of digital payment use.

India is on the verge of a massive digital revolution. The modern economy will be based on cashless transactions, which will be feasible only via digitising financial services at various points of sale, such as a smartphone, online banking, or card transaction.

DIGITAL VS ELECTRONIC PAYMENTS

Neither phrase has a conventional meaning; nonetheless, both are often used to refer to the same thing—value transfers that are performed and/or received through electronic devices and channels. As a result, they are replaceable in this manual. Notably, digitisation is also used for activities other than payments: for example, a government may automate its accounting system while continuing to issue payments using paper cheques or cash.

Types of Digital Payment Methods in India

1. Banking cards
2. USSD
3. Aadhar Enabled Payment System (AEPS)
4. UPI
5. Mobile Wallets
6. Bank prepaid cards
7. Point of Sale (PoS)

8. Mobile Banking
9. Internet banking
10. Bharat Interface for Money (BHIM) app
11. Digital payment apps

What is a Digital Payment?

Simply speaking, a digital payment happens when goods or services are paid through a range of electronic channels. This mode of payment does not need the usage of cash or cheques.

What is a Cashless Economy?

In a cashless economy, all transactions are processed via various payment systems and do not entail the actual exchange of money for products and services.

1. Banking cards:

Cards are one of the extensively used payment methods since they provide a range of features and advantages such as payment security, flexibility, and so on. The primary benefit of debit/credit or prepaid banking cards is their ability to be used for various sorts of digital payments. Customers may, for example, keep card information in electronic payment applications or mobile wallets to conduct cashless payments. Visa, Rupay, and MasterCard are only a few of the most reputable and quite known card payment systems. Banking cards may be used to make purchases online, through digital payment applications, at point-of-sale machines, and other online transactions.

How to get banking cards?

- Apply via your bank and give Know Your Customer (KYC) information.
- Within a week, the card will be authorised, and you will be assigned a four-digit pin that may be used for all purchases.

2. USSD:

Another sort of digital payment mechanism, *99#, enables mobile payments without downloading an app. These forms of payments are also possible without a mobile data connection. The USSD and India's National Payments Corporation jointly support this service (NPCI). The primary goal of this form of digital payment service is to foster the inclusion and integration of underprivileged segments of society into mainstream banking. This service may be

used to initiate financial transfers, see bank statements, and inquire about account balances. Additionally, this sort of payment mechanism is accessible in Hindi.

Running *99# Code

- a. This service may be accessed by dialling *99#, which will direct the consumer to an automated voice menu on their mobile device's screen.
- b. The customer's cell number must match the one associated with the bank account to utilise the feature.
- c. The next step is to register for USSD, MMID (Mobile Number Identifier) and MPIN

3. AEPS:

The NPCI has launched another move to encourage digital payments in the nation. AEPS, also known as Aadhaar Enabled Payment System, may be utilised for all banking operations, including a balance inquiry, cash withdrawal, cash deposit, fund transfer, and Aadhaar to Aadhaar money transfers. All operations are routed via a banking intermediary who verifies Aadhaar. There is no need to visit a bank in person, produce debit or credit cards, or even sign a paper. This feature is available only if the bank with which you have an account has registered your Aadhaar number.

How to use AEPS?

- a. AEPs are easy to use; all you need to do is furnish the merchant with your valid Aadhaar number, and the payment will be processed properly.

4. UPI:

UPI is an interoperable payment system that enables any consumer with a bank account to conduct financial transactions through a UPI-enabled application. The service enables users to connect several bank accounts to a UPI app on their smartphone, enabling them to effortlessly initiate financial transactions and collect requests 24 hours a day, 365 days a year. The primary benefit of UPI is that it allows users to send and receive money without requiring them to have a bank account or an IFSC number. You just need a Virtual Payment Address (VPA). Several UPI applications are available on the market, and they are compatible with both Android and iOS platforms. You must have a valid bank account and a verified mobile phone number associated with the same bank account to use the feature. There are no transaction fees associated with UPI.

This enables customers to send and receive money and check their account balances.

How to use UPI?

- a. Download the app on the Android or iOS platform
- b. Register for the service by verifying the bank account associated with your mobile phone number.
- c. Create a VPA, and set UPI PIN

5. Mobile Wallets:

A mobile wallet is a form of virtual wallet service that may be accessed via the installation of a mobile application. The digital or mobile wallet holds bank account or debit/credit card information or bank account information in an encrypted manner to enable safe payments. Additionally, money may be added to a mobile wallet and used to make payments and procure products and services. This removed the requirement for credit/debit cards and the necessity to memorise the CVV or 4-digit pin. Numerous banks in the nation have introduced e-wallet services, and in addition to institutions, numerous private businesses have emerged. Paytm, Mobikwik, and Freecharge are just a few of the mobile wallet applications available on the market. Mobile wallets provide various functions, including transferring and receiving money, making payments to businesses, and making online purchases. Some mobile wallets may levy a transaction fee for the services they provide.

How to use a mobile wallet?

- a) Download the app
- b) Register for the service by following instructions and providing all details
- c) Load money

6. Bank prepaid cards:

A prepaid card is a sort of payment device that may be loaded with funds to be used for transactions. This kind of card may not be connected to the customer's bank account. However, a bank-issued debit card is connected to the customer's bank account.

How to Use a Prepaid Card?

- a) Apply for the card

- b) Get PIN
- c) Load money from your bank account

7. PoSTerminals:

Originally, point-of-sale terminals referred to those placed in all shops where consumers placed orders using credit/debit cards. Typically, it is a handheld gadget that accepts bank cards. However, as a result of digitalisation, the reach of PoS is extending, and this service is now accessible through mobile devices and web browsers. There are many varieties of point-of-sale terminals, including physical point-of-sale terminals, mobile point-of-sale terminals, and virtual point-of-sale terminals. Physical point-of-sale terminals are those that are maintained in stores and businesses. By contrast, mobile point-of-sale terminals operate through a tablet or smartphone. This is useful for small company owners since they avoid the high cost of electronic registers. Payments processed via virtual point-of-sale systems are through web-based apps.

8. Internet Banking:

Internet banking is a term that refers to the process of conducting financial transactions through the internet. These may involve various services, such as financial transfers, the establishment of a new fixed or recurring deposit, or the termination of an account. The term “internet banking” is also used to refer to e-banking or “virtual banking.” Typically, internet banking conducts online financial transfers via NEFT, RTGS, or IMPS. Banks provide consumers with various financial services through their websites, and users may access their accounts using a username and password. Unlike visiting a physical bank, online banking services are not time-sensitive and may be used at any moment and on any day of the year. Internet banking services have large market potential.

9. Mobile Banking:

Mobile banking is a term that refers to the process of doing financial/banking transactions using a phone or tablet. Mobile banking’s reach increases with the advent of several mobile wallets, digital payment applications, and other services such as the UPI. Numerous banks have developed their apps, which clients may download to conduct financial transactions at the touch of a button. Mobile banking is a broad phrase that refers to the multitude of programs that fall under this umbrella.

10. Bharat Interface for Money (BHIM) app:

The BHIM software enables users to send and receive money using the UPI application. This also works with UPI, and transactions may be completed using a VPA. Money may be sent to various bank accounts, virtual addresses, or Aadhaar numbers. One may effortlessly connect his/her bank account to the BHIM interface. Additionally, several bank accounts may be linked. Anyone with a cellphone number, debit card, and a valid bank account may use the BHIM app. Numerous banks have also partnered with the NPCI and BHIM to enable clients to utilise this interface.

How to Use BHIM App?

- a. Download and install the BHIM app
- b. Choose a language

11. DIGITAL PAYMENT APPS**1. Google Pay**

Google Pay was released in 2018 after the merging of Android Pay and Google Wallet. Google Pay enables payments to be made online, in-store, and to other individuals. Along with its January 2018 rebranding from Pay with Google to Google Pay, the payment system integrated its Android Pay and Google Wallet services and debuted a month later. Android Pay's upgrade brought additional functionality that guaranteed operations were widespread at point-of-sale systems and online.

2. Paytm

Paytm (which translates as "pay by mobile" and is pronounced similarly to ATM) is an Indian e-commerce payment service and fintech business headquartered in Noida, India.

Paytm is presently accessible in 11 Indian languages and enables online transactions such as mobile recharges, utility bill payments, travel, movie, and event bookings, as well as in-store payments at grocery shops, fruits and vegetable retail locations, diners, parking lots, toll booths, drug stores, and academic institutions via the Paytm QR code. PayPal, based in California, filed a trademark infringement complaint against Paytm in India on 18 November 2016 for utilising a logo with a similar colour scheme to its own. Paytm was valued at \$10 billion in January 2018. It intends to begin its public offering (IPO) in 2022.

According to the firm, their QR code is used by over 7 million retailers in India to take

payments straight into their bank accounts. Additionally, the firm generates cash via advertisement and sponsored promotional material.

ANALYSIS AND PRESENTATION OF DATA

Data is gathered for analytical purposes from primary and secondary sources. Analysing data entails conducting a rigorous investigation of the data group to discover the properties of the data under study and the patterns of association between the variables associated with it. The term “interpretation” refers to the process of making judgments after analytical or experimental research.

AWARENESS LEVEL OF DIGITAL PAYMENT SYSTEM

The awareness level is different among customers. The following table shows the distribution of respondents on the awareness in digital payment systems:-

AWARENESS LEVEL OF DIGITAL PAYMENT SYSTEM

Awareness	No. of Respondents	Percentage
Highly aware	13	13
Aware	47	47
Unaware	33	33
Highly unaware	7	7
Total	100	100

Source: Primary Data

The above analysis shows the awareness level of the digital payment system. Out of the 100 respondents, 13% were highly aware, 47% were aware, 33% were unaware and 7% were highly unaware of the digital payment system. It can be concluded that most of the respondents were aware of the digital payment system.

PREFERENCE ABOUT VARIOUS DIGITAL PAYMENT SYSTEMS

The following table summarises respondents’ preferences about various digital payment systems like banking cards, Unstructured Supplementary Service Data (USSD), Aadhaar Enabled Payment System(AEPS), Unified Payment Interface (UPI), mobile wallets, prepaid bank cards, Point of Sale (PoS), internet banking, mobile banking, digital payment systems, and

Bharath Interface for Money App (BHIM).

Preference About Various Digital Payment Systems

Digital payment systems	Excellent	Very good	Good	Poor	Total
Banking cards	43	40	10	7	100
Unstructured supplementary services	-	-	56	44	100
Aadhar enabled payment system	-	-	-	100	100
Unified payment interface	37	22	32	9	100
Mobile wallets	25	32	36	7	100
Prepaid bank cards	17	15	26	42	100
Point of Sale	-	-	-	100	100
Internet banking	34	48	15	3	100
Mobile banking	43	36	21	-	100
Digital payment apps	56	40	4	-	100
Bharath Interface for Money app	-	-	-	100	100

Source: Primary Data

The following are the conclusions drawn from the above analysis

- The respondent's opinion regarding banking cards: 43% of the respondents' opinion is excellent, 40% of the respondents are very good, 10% of the respondents' opinion is good, and 7% of the respondents has a poor opinion.
- The respondent's opinion regarding unstructured supplementary service data: 56% of the respondents' opinion is good, 44% of the respondents has a poor opinion.
- The respondent's opinion regarding Aadhaar enabled payment system: 100% of the respondents have a poor opinion.
- The respondent's opinion regarding the Unified Payment Interface: 37% of the respondent's opinion is excellent, 22% of the respondent's opinion is very good, 32% of respondent's opinion is good, and 9% of respondents have a poor opinion.
- The respondent's opinion regarding mobile wallets: 25% of respondents' opinion is excellent, 32% of respondents' opinion is very good, 36 % of respondents' opinion is good, and 7% of respondents have a poor opinion.

- The respondents' opinion regarding prepaid bank cards: 17% of the respondents' opinion is excellent, 15% of respondents' opinion is very good, 26% of respondents are good, and 42% of respondents have a poor opinion.
- The respondent's opinion regarding Point of Sale: 100% of respondents have poor opinion.
- The respondent's opinion regarding internet banking: 34% of the respondent's opinion is excellent, 48% of the respondents are very good, 15% of respondents' opinion is good, and 3% of respondents has a poor opinion.
- The respondent's opinion regarding mobile banking: 43% of respondents' opinion is excellent, 36% of the respondent's opinion is very good, 21% of respondents' opinion is good.
- The respondent's opinion regarding digital payment apps: 56% of the respondent's opinion is excellent, 40% of respondents' opinion is very good, and 4% of respondents have a good opinion.
- The respondent's opinion regarding Bharath Interface for Money app: 100% of respondents have a poor opinion.

DIFFICULTIES IN DEALING WITH DIGITAL PAYMENT SYSTEM

The following table shows the respondents who feel difficulties in dealing with the digital payment system.

DIFFICULTIES IN DEALING WITH DIGITAL PAYMENT SYSTEM

Any discomfort		No. of respondents	Percentage
Yes		17	17
No		83	83
Total		100	100

Source: Primary Data

The above analysis shows that 17% of respondents feel difficulties dealing with digital payment systems. The majority of respondents, i.e. 83%, do not feel any difficulties dealing with the digital payment system.

SATISFACTION LEVEL OF DIGITAL PAYMENT SYSTEMS

This table shows the satisfaction level of digital payment systems.

Satisfaction Level of Digital Payment Systems

Satisfaction level	No. of respondents	Percentage
Highly satisfied	28	28
Satisfied	45	45
Dissatisfied	22	22
Highly dissatisfied	5	5
Total	100	100

Source: Primary Data

The above table shows the satisfaction level of digital payment systems among respondents. Out of the 100 respondents, 28% are highly satisfied, 45% are satisfied, 22% are dissatisfied, and 5% are highly dissatisfied. Therefore it can be concluded from the table that most of the respondents are satisfied.

TESTING OF HYPOTHESIS**Age and Awareness Level of Digital Payment System**

The following table shows the relationship between age and awareness level of the digital payment system. For this, respondents are classified according to their age groups.

Table 3.17

Age and Awareness Level of Digital Payment System

Awareness of DPS	Age	Below 20	20-30	30-40	40-50	Above 50	Total
Highly aware		5	10	18	4	1	38
Aware		3	23	22	5	2	55
Unaware		-	2	-	3	3	7
Highly unaware		-	-	-	-	-	-
Total		8	35	40	12	5	100

Source: Primary Data

One way analysis of variance is used to test the significance of age in the awareness level of the digital payment system.

Null Hypothesis: There is no significant difference between the age of respondents and the awareness level of the digital payment system.

Alternative Hypothesis: There is a significant difference between the age of respondents and the awareness level of digital payment systems.

Table 3.18
ANOVA Table 1

Source of variation	Sum of square	Degree of freedom	Mean square	F-ratio
Between samples	621.66	4	621.66/4=155.4	8.68
Within samples	143.11	8	143.11/8=17.89	
Total	764.77	12		

F-Value=155.4/17.89=8.68

F Value at 5 percent significance (from the table) =3.84

The calculated value of F (=8.68) is more than the table value at a 5 percent level of significance. Therefore, Alternative hypothesis is accepted, and it is concluded that **there is a significant difference between the age of respondents and the awareness level of digital payment systems.**

Occupation and Degree of Satisfaction of Digital Payment System

The following table shows the relationship between occupation and degree of satisfaction of digital payment system. For this, the respondents are classified according to their occupational status.

Table 3.19

OCCUPATION WISE ANALYSIS OF DEGREE OF SATISFACTION

Degree of satisfaction	Occupation	Student	Home maker	Business	Professionals	Others	Total
Highly satisfied		10	-	12	14	1	37
Satisfied		9	3	15	20	-	47

Dissatisfied	2	-	3	3	2	10
Highly Dissatisfied	-	-	2	4	-	6
Total	21	3	32	41	3	100

Source: Primary data

One way analysis of variance is used to test the significance of occupation in the degree of satisfaction of digital payment systems.

Null Hypothesis: There is no significant difference between the occupation of respondents and the degree of satisfaction.

Alternative Hypothesis: There is significant difference between occupation of respondents and degree of satisfaction.

Table 3.20

ANOVA Table 2

Source of variation	Sum of square	Degree of freedom	Mean square	F-ratio
Between samples	186.75	4	186.75/4=46.68	1.39
Within samples	300.95	9	300.95/9=33.44	
Total	487.7	13		

F Value=46.68/33.44=1.39

F Value at 5 percent significance (from the table) =3.63

The calculated value of F, i.e., 1.39, is less than the table value at a 5 percent level of significance. Therefore, Null Hypothesis is accepted, and it is concluded that **there is no significant difference between the occupation of respondents and the degree of satisfaction of the digital payment system.**

FINDINGS, SUGGESTIONS & CONCLUSION

The data collected from DPS customers through the questionnaire were analysed, and the hypotheses were tested. The study mainly aims to measure the awareness and satisfaction of customers about DPS and evaluate their opinion regarding DPS. This study

provides more importance to the helpfulness of DPS among the customers.

Major Findings of the Study

Out of the 100 respondents, 28% are highly satisfied, 45% are satisfied, 22% are dissatisfied, and 5% are highly dissatisfied. Therefore, it can be concluded that the respondents are satisfied

Out of the 100 respondents, 13% were highly aware, 47% were aware, 33% were unaware and 7% were highly unaware of the digital payment system. It can be concluded that most of the respondents were aware of the digital payment system.

The following are the conclusions drawn from the above analysis:

- The respondents' opinion regarding Banking cards: 43% of the respondents' opinion is excellent, 40% of the respondents are very good, 10% of the respondents' opinion is good, and 7% of the respondents has a poor opinion.
- The respondent's opinion regarding unstructured supplementary service data: 56% of the respondents' opinion is good, 44% of the respondents has a poor opinion.
- The respondents' opinion regarding Aadhaar enabled payment system: 100% of the respondents have a poor opinion.
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- The respondent's opinion regarding mobile banking: 43% of respondents' opinion is excellent, 36% of the respondent's opinion is very good, 21% of respondents' opinion is good.
- The respondent's opinion regarding digital payment apps: 56% of the respondent's opinion is excellent, 40% of respondents' opinion is very good, and 4% of respondents have a good opinion.
- The respondent's opinion regarding the Bharath Interface for Money app: 100% of respondents has poor opinion.

Suggestions

- A massive awareness generation campaign should be launched to achieve the desired results.
- The training programme should be conducted to make the DPS more useful to the educationally backward group.
- Officials associated with the DPS should be more accountable
- The massive advertisement should be provided to the customers for the easy use of DPS.
- Steps shall be taken to provide better information to the customers for DPS.

The study shows that 41 Percent of the respondents are professionals, and they are much aware of Digital payment systems. The DPS is quicker, active and the system functions well. Further, the respondents think that the DPS is highly useful for reducing the cost of transactions. However, respondents believe that the awareness level of DPS is comparatively low. So it needs an improvement to popularise the DPS.