

CUSTOMER PERCEPTION TOWARDS SERVICE QUALITY ON THE DIGITAL PAYMENT SYSTEM IN HYDERABAD

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ABSTRACT: In the modern world, electronic payments and transactions are essential. The use of e-transactions has grown significantly from the moment they were introduced until the period of their demonization. In India, the digital payment system was used after demonetization. The payment system has undergone numerous changes recently, including the addition of digital wallets, UPI, AEPS, QR codes, and BHIM apps to facilitate the transition to digital payments. A customer's perception of digital payments is examined in this study. To better understand how consumers felt about digital payments, a structured questionnaire was chosen in the research process. For the convenience of the study, both primary and secondary data were used. Respondents in Hyderabad provided primary data for the collection.

Key words: digital, study, payments, online, Hyderabad, focus and India.

INTRODUCTION

The Indian government has been implementing a number of initiatives to support and encourage digital payments throughout the nation. The government wants to establish a "digitally empowered" economy that is "faceless, paperless, and cashless" as part of the "Digital India" campaign. Using debit and credit cards, online banking, digital payment apps, mobile wallets, Aadhaar-enabled payment systems (AEPS), and mobile banking are a few of these. Online or digital payments that happen without a real money exchange are known as digital payments. This indicates that electronic means are used by both the payer and the payee in the money exchange process.

Advantages of Digital Payments:

- Quicker, simpler, and more practical
- Cost-effective with minimal transaction fees
- Cash backs, discounts, and waivers
- Digital transaction record
- A one-stop shop for bill payment
- Helps in controlling black money

Methods of digital payments in India:

1. Bank cards: Among the most popular ways to make payments, cards offer a number of features and advantages, including convenience and payment security. Debit, credit, and prepaid cards have the primary benefit of being able to be used for other digital payment methods. Customers can make cashless payments, for instance, by storing card information in mobile wallets or digital payment apps.

2. **USSD:** Another kind of digital payment method that can be used to conduct mobile transactions without the need to download an app is USSD. It is possible to make these kinds of payments without a mobile data facility.
3. **AEPS:** Enhanced as an Aadhar-enabled payment system, AEPS can be utilized for all banking operations, including Aadhaar-to-Aadhaar fund transfers, cash withdrawals, cash deposits, and balance inquiries. Based on Aadhaar verification, a banking correspondent handles every transaction.
4. **Mobile Wallets:** By downloading an app, users can access a particular kind of virtual wallet service called a mobile wallet. To enable safe transactions, the digital or mobile wallet encodes bank account, debit or credit card, and bank account information. Additionally, funds can be added to a mobile wallet and used to make purchases of goods and services.
5. **Bank pre-paid cards:** Prepaid cards are a sort of payment card that you can load with cash to make purchases. It's possible that the type of card and the customer's bank account are unrelated. Nevertheless, a bank-issued debit card is connected to the user's bank account.
6. **POS terminals:** Historically, the term "point of sale" (POS) terminals described those installed in every store where customers used their credit or debit cards to make purchases. Usually, a handheld device is used to read bank cards. Nonetheless, POS's reach is growing due to digitization, and it can now be accessed via internet browsers and mobile platforms as well.
7. **Online Banking:** The practice of conducting financial transactions through the internet is known as online banking. Numerous services, including money transfers, starting a new fixed or recurring deposit, canceling an account, etc., may be included in this category. Virtual banking or e-banking are other names for online banking. Online fund transfers through NEFT, RTGS, or IMPS are typically made through internet banking.
8. **Mobile banking:** Using a smart phone to conduct financial or banking transactions is known as mobile banking. With the advent of numerous mobile wallets, digital payment apps, and other services like the UPI, the possibilities for mobile banking are only growing.
9. **Bharat Interface for Money (BHIM) App:** This app enables UPI users to send and receive money. A VPA can be used to complete transactions, and this also functions in tandem with UPI. The BHIM interface makes it simple for someone to link their bank account. Several bank accounts can be linked together as well. Anyone with a working debit card, mobile number, and bank account can use the BHIM app. One can send money to an Aadhar number, virtual addresses, or various bank accounts.

REVIEW OF LITERATURE:

1. R. Lavanya and Dr. T. Thirumaleswari (2023), in this study entitled "Application of digital payments and its impact on service quality and satisfaction," This study focused on how satisfied customers are with a payment application and how they perceive it, which affects whether or not they plan to use it. Transactions using digital payments may be impacted by other factors. Websites that use internet banking services like NEFT, RTGS, and IMPS, as well as card payments, are advantageous to businesses. Customers who are motivated by card payments, online banking, and payment apps should be compared in future studies. The inquiry might provide bank management suggestions about how to best advertise direct payment channels. To remove bias from online Google

form samples and generalize the results, this study can be conducted again with a sample of real bank customers. To improve the model, objective measures of customer behavior could be incorporated, given that TAM assumes a strong correlation between intentions and actual behavior.

2. Prakash M. (2022) in this study entitled “A Study on Consumer Perceptions towards Digital Payment, “The views of consumers of digital payments are investigated in this study. The nation has profited immensely from these advances in technology for a few years now that e-transfer of money is available. The government is encouraging the development of e-payment systems, which is leading to a wider adoption and comfort level. Made living easier for people by enabling payment of bills via the internet.

3. Gouransh Kumbhare, (2021) in this titled “A Study on Consumers Perception towards digital payments in Bhopal city” The findings show how the nation's cashless transactions have improved as a result of the introduction of innovation for digital payments, especially following demonetization. This is in line with the government initiative "Digital India." Paper money and electronic cash theft can be prevented with the help of digital payment systems. In addition to the finance minister and the CEO of the National Payments Corporation of India urging people to use online payment methods more frequently in order to make money-related transactions contactless, the use of digital payments is growing rapidly during the COVID-19 pandemic

Lockdown. In this study, Google Pay is the digital payment method that respondents use the most frequently and find most convenient, so they are informed about changes in the industry and technological advancements.

4. Vaibhav Sharma, (2021), this title “Examination of service quality of digital payments among working professionals” This study concludes that because of the many advantages that digital payments offer—from eliminating the need for in-person bank visits to completing financial transactions with a few clicks on a smart phone they have become a popular method of payment these days. It was even determined that the study's variables of service quality—security, responsiveness, reliability, and ease of use had a statistically significant effect on the respondents' degree of satisfaction with the digital payment option they were given.

5. Vikas Gupta and Vidhi Gupta, (2021) in this title “A Study on the preference of consumer perception towards digital payments of India” This study focuses on how customers view electronic payments. The research model proposed by the study demonstrates that the consumer's perception of e-payment is significantly influenced by three factors: benefits, self-efficacy, and ease of use. These factors are demonstrated by the fact that H1, H3, and H4 are significant at the five percent significance level. It's interesting to note that consumers' perceptions of security and trust do not significantly change when it comes to payment; this finding is in line with previous studies.

6. Dr.R.Mayilsamy and Mr. Gokula Krishan D.(2020) in this titled “A Study on Consumers Perception towards digital payments System with special reference to Tiruppur city” According to the analysis already, many people seem to agree with the government that a cashless economy is beneficial in the fight against terrorism, corruption, and money laundering. However, cybercrime and unauthorized access to primary data pose a significant obstacle to the cashless economy's ability to function in India. The adoption of digital payments was found to be relatively unaffected by demographic factors, such as education. It suggests that the degree of education of the consumer

affects the adoption of digital payments. Digital payments were also made easier to adopt by the rise in smart phone users and internet penetration in these areas.

7. M.Priyadharshini (2019): "A study on consumer perceptions towards digital payment modes with special reference to Coimbatore, Tamil Nadu" An attempt has been made to comprehend customer perceptions of digital payments in this study. It was discovered that the adoption of digital payments is not significantly impacted by demographic factors, with the exception of education. This result was corroborated by an ANOVA computation, which showed that respondents did not perceive any significant differences based on gender, age, profession, or annual income. The respondents believed there to be a significant difference solely in terms of education level. It suggests that the customer's educational attainment has an impact on the adoption of digital payments. An individual is more likely to use the digital payment mode if they have completed coursework beyond high school and are familiar with the internet.

8. D. Sudhir Babu and Lakshmi Narayanamma (2018), in this study entitled "Consumer Perception towards Digital Payment," An effort has been made in this study to comprehend how consumers view digital payments. One crucial way to finish a transaction is through digital payments. According to the study, most participants believe that mobile wallets or digital payments help people buy things more easily than they would with traditional methods, enhance the quality of their decisions, and benefit them in general. Along with believing that service providers are trustworthy, they also concur that interacting with mobile wallets is beneficial. Additionally, a range of age groups are using these services. It is imperative that organizations raise awareness regarding the significance and application of digital payments.

RESEARCH GAP:

Digital payment methods have developed at an extremely rapid and efficient rate, allowing individuals and businesses to manage their finances in a very astute manner from the comfort of their homes or places of business. Studies have shown that this new innovation makes it possible for banks and clients to have instant access to information about the tasks and status of their records. The opportunities and challenges Hyderabad has faced since the adoption of digital payment methods are the main focus of this study. Essentially, the test aims to provide a deeper understanding of the factors influencing electronic payment systems.

OBJECTIVES OF THE STUDY:

1. To study online payment services.
2. To determine which application is suitable according to customer experience.
3. To identify the issues customers are facing while making online payments.
4. To find out what kind of service or payment the customers prefer.

SCOPE OF THE STUDY:

The purpose of the study is to ascertain how satisfied customers are with the various services provided by digital payment systems. The best marketing strategy will be ascertained by this study. It also seeks to increase knowledge of various digital payment apps. Client satisfaction fluctuates. Thus, research into analysis and monitoring is required in order to make wise choices regarding services, security, flexibility, complexity, and usage.

IMPORTANCE AND NEED OF THE STUDY:

The most widely used method of using money is digital payments. It can be recognized because it communicates with everyone on the planet. This study helps identify consumer perceptions and the factors that influence them, which is useful since my project is about managing consumers' perceptions of digital payments. Finding out whether customers have a positive or negative perception is made easier by this study.

LIMITATIONS OF THE STUDY:

1. The study is limited to Hyderabad and its surrounding areas.
2. The ideas and opinions of Hyderabad customers regarding digital payments form the basis of this study.
3. Both the sample size and the research period are limited.
4. The survey's main goal was to confirm how consumers felt about digital payments in relation to the idea of general banking.
5. Therefore, even if Hyderabad is unable to emulate other significant banking centers in the nation, this might not provide a barrier to reaching the intended goal.
6. Non-response errors cannot be ruled out for primary data.

RESEARCH METHODOLOGY:

The study focuses a descriptive research design. The purpose of the study is to examine how Hyderabad's customers view digital payments. The entire list of individuals who use digital payment methods is the sample population. Articles, journals, and industry reports provide secondary data, while the closed-ended questionnaire provides primary data. For this analysis, primary data is gathered. The main data in this case was obtained through a self-administrated survey. For a particular goal or research project, a primary data source is an original source of data that the researcher gathers in the first person. As opposed to gathering secondary data, gathering primary data is more costly and time-consuming.

FINDINGS:

- The majority of people are concerned about processing times and mobile device security.
- The most difficult problems for users to deal with are security and money safety.
- The services offered to users of digital wallets or digital payments are deemed satisfactory by them.
- Customers were more likely to be satisfied with the digital payment application and plan to use it again in the future when they had a higher opinion of the service quality during their use of it.
- Customers' intention to use a digital payment application for transactions was influenced by a number of factors, including their awareness of the application, their perception of it, the quality of the service they received, and their level of satisfaction with it.
- Among the main causes of the low uptake of digital wallets and digital payments is their reliance on an internet connection for transaction processing.

- A large percentage of individuals have utilized cards, UPI, QR code-scanning payments, and mobile banking, to name a few Digital Payments System options.
- As they do not have to wait in line at banks or to pay utility bills, the majority of respondents believed that digital payment systems saved them time and energy when traveling.
- The majority of respondents said they were persuaded to use the digital payment system by friends, family, and coworkers.

SUGGESTION:

- The RBI should supervise private payment channels.
- Protecting people's payment should be the government's primary concern.
- Their acceptance and popularity can also be raised by offering discounts and reward points for using digital payment methods.
- To raise awareness among non-users, marketing and promotion campaigns ought to be carried out.
- This study represented the first attempt to combine customers' awareness, perception, level of satisfaction, and quality of service with a digital payment application to analyze their intention to use it.

CONCLUSION:

The study suggests that in order to encourage the adoption of payment apps, banks need to improve their online distribution techniques. The focus of this study is to investigate how Hyderabad customers view digital payments. The outcome framework offers us crucial strategic direction for enabling the country to increase the use of cashless payments. As part of the administration's "Digital India" initiative, the results show that the introduction of innovation for digital payments has enhanced the country's cashless transactions, especially following demonetization.

The study looks at how customers feel about digital payments. Since e-money transfers became available a few years ago, the nation has reaped significant benefits from this technological development. Since the government encourages the development of e-payment systems, their use and comfort level are growing more and more common. Made it easier for people to live their lives by enabling online payment processing.

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