

CHAPTER -1

INTRODUCTION

"Digital India" is the Indian Government's flagship program with a vision to convert India into a digitally empowered country. Faceless, paperless, and cashless economy is one of the supposed functions of Digital India. The digital payment system has gained importance nowadays, especially after demonetization. The government is taking essential steps to encourage the public to use payment gateway platforms. To promote payment gateways, it has declared discounts on purchases of certain products digitally. It has also introduced UPI (United Payment Interface), which is an app-based way to transact across multiple banks. Another improved version is set to be unveiled by the government, which makes banking transactions via simple mobile phones without internet via a platform called USSD (Unstructured Supplementary Service Data).

These initiatives have provided an extensive boost to the digital payment system in the country. The government's other initiatives, like BHIM and UPI, are supporting the transition and faster adoption of digital payments. Electronic consumer transactions made at a banking point of sale (POS) for services and products either through internet banking or mobile banking using a smart phone or card payment are called digital payments.

In the current arena, smartphones have become a part and parcel and also an inseparable tool in the lives of the majority of human beings, especially the new generation, so that they can't think about a single moment without their smartphones. The mobile phone has deeply influenced people's social and economic lives and has led to a huge transformation in the nature of their commercial and financial dealings and transactions. Making use of this scenario, the government, along with the financial institutions, mainly the banks, decided to use "mobile" as an effective source to target demonetization and attain digitalization.

A good amount of research has been undertaken over the past few years covering the emerging technological inventions in the banking industry. These studies have covered many technological mediums for offering banking services like debit and credit cards, ATM machines, internet banking, etc. The studies conducted have covered both technical and non-technical aspects of the above banking channels. Among the non-

technical aspects covered and especially those that are relevant from a financial and customer point of view are studies related to the impact of technological instruments upon the commercial and social lives of customers and their acceptance of the same. Studies have covered aspects relating to psychological, demographical, social, and economic factors that have influenced the customer's choice regarding the adoption of prevailing mediums for conducting banking transactions. Mobile banking is one of the latest trends among the banking channels, and based upon the studies and surveys going on in its area, banks are constantly trying to update their mobile banking products to suit the ever-changing needs and priorities of customers and also to adjust and survive against the new mobile software and devices that are emerging in the market every day. Banks and financial institutions have shown considerable interest in research and development related to the study of customer needs and trends in the market related to mobile banking in order to enhance their mobile banking service and overcome the challenges relating to competition in this field. The government has clearly indicated its intention not only to attain digitalization through mobile banking but also to use it as a means to attain financial inclusion.

1.2 SIGNIFICANCE OF THE STUDY

Online payment is very much used in recent years due to convenience, speedy a transaction, saving time, attractive sales promotional offers, etc... Despite these factors, there are various transactional and non- transactional issues involved such as internet user being uncomfortable often etc. which act as deterrents. However, the future for online payment looks bright and promising. This is especially true in the context of consumers in small cities, where online payment is still new, and consumers are less familiar and often more skeptical towards it.

Therefore, this study aims to examine the customer satisfaction towards online payment apps. And also to analyze the issues and difficulties faced by the customer towards online payment apps. A payment system provides the channels through which funds are transferred among banks and other institutions to discharge payment obligations arising from economic and financial transactions across the entire economy. An efficient, secure and reliable payment system reduces the cost of exchanging goods and services. E-banking has become a critical component of the banking industry's future growth. Electronic banking, often known as online banking, is a service provided by many

banks that allow customers to conduct all types of banking transactions over the internet, largely through the use of information technology and communication.

1.3 STATEMENT OF THE PROBLEM

In the modern era, everyone is aware of e-payment transactions. E-payment is nothing but an electronic way of transferring funds instead of cold cash. Nowadays, customers have plenty of options in the e-payment system. They can use cards, UPI, NEFT, IMPS, or other modes for making the payment. But in most cases, all these legal options are not everywhere accepted. i.e., NEFT and RTGS were not usually accepted in retail stores, but instead card payment or UPI platforms were readily accepted. But the legal option also has some limitations. Hence, this research is conducted to identify customer satisfaction with using the different legal options of e-payment.

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1.4 OBJECTIVES OF THE STUDY

Primary Objectives

- To assess user satisfaction with online payment services and identify areas for improvement.

Secondary Objectives

- To analyze the attitude of youth towards online payment systems.
- To analyze the positive aspects of online payment systems.
- To analyze the negative aspects of online payment systems.

1.5 SCOPE OF THE STUDY

The scope of this study on consumer perceptions of online payment encompasses a thorough examination of factors influencing individuals' trust, security concerns, and

overall satisfaction with digital payment methods. It delves into various aspects such as user experience, perceived convenience, security measures, and the influence of marketing strategies on shaping consumers' attitudes towards online payments. By focusing on these dimensions, the study aims to provide a comprehensive understanding of consumer behavior in the realm of digital transactions, offering valuable insights for businesses to optimize their online payment systems and enhance customer satisfaction and trust.

1.6 RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability. The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys, and other research techniques and could include both present and historical information.

1.6.1 Research Design:

The study follows the descriptive method of research to measure, evaluate, and analyse the impact of online payment apps among customers. Primary data has been collected through a questionnaire.

- **Descriptive research design:**

Descriptive research aims to accurately and systematically describe a population, situation, or phenomenon. It can answer what, where, when, and how questions, but not why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables.

1.6.2 Sampling:

- **Sample Design**

The theoretical basis and the practice mean generalizing from the characteristics of a relatively small portion of the population. It is the method by which the sample is chosen.

- **Sample Size**

A sample of 40 people has been collected through the questionnaire.

1.6.3 Sources of data:

Sources of data begin with figuring out what sort of data is needed, followed by the collection of a sample from a certain section of the population. Next, you have to utilize a certain tool to gather the data from the chosen sample.

1.6.4 Convenience sampling:

A convenience sample is a type of sampling method where the sample is taken from a group of people that are easy to contact or reach.

1.6.5 Source of Data

- **Primary data:** The primary data for this study was collected through a questionnaire, and responses were collected through a Google Form.
- **Secondary data:** Secondary data was collected from external sources like websites and journals in the form of a review of literature with references.

1.6.6 Area of the study:

The study has been conducted among the households in Kannur District. The case study method has been used to investigate various aspects of the objective of the study.

1.6.7 Population:

The respondents of this study are users of online payment apps and residents of Kannur district. Data is collected among 40 people who use online payment apps.

1.6.8 Tools for analysis:

The data are analyzed using statistical tools such as percentages, tables, and graphs.

1.7 LIMITATIONS OF THE STUDY

- The respondents might have given a biased opinion.
- The area and respondents undertaken for research are limited, and thus the results may differ with a change in sample size.
- Another issue with UPI is that it is difficult to persuade customers to download the bank application to their smartphones for a single payment interface because they are concerned about online fraud.
- If you want to transfer payments in the UPI, then you can transfer up to Rs 10,000 as much as possible. You should send it one at a time if you need to send it more than once.

- It does not work on the slow of the internal simple, secure way to send money, recharge mobile, pay bills, buy Play Store recharge code. Pay directly from your bank account with the security of a Google PIN and a UPI PIN. Money is made simple with a free money transfer.
- The study has undertaken only for a particular period of time.
- The study was conducted in a limited geographical area. So the findings and conclusions may not be universally true.

1.8 CHAPTER SCHEME

The study has been arranged into 5 chapters.

- The first chapter deals with introduction, statement of the problem, objectives, scope, research methodology and limitations of the study.
- The second chapter deals with Review of literature
- The third chapter deals with theoretical frame work.
- The Forth chapter includes analysis and interpretation of collected data.
- Fifth chapter deals with summary, findings, suggestions and conclusion of the study.