Customer Satisfaction Towards Digital Payment Services

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ABSTRACT

Digital modes of payment, such as UPI, mobile applications, digital wallets, and cards have become an essential part of everyday transactions in India. The present descriptive study focuses on understanding the customer satisfaction with digital payments and the factors which influence them. The primary data was gathered from 278 respondents using a convenience sampling technique by using an online questionnaire and included secondary data from books, journals, RBI and NPCI reports, and government publications. The data was analyzed using percentage analysis, mean, standard deviation, Pearson correlation, multiple regression, and chi-square tests. The results suggest that 84.9% of the respondents were satisfied or extremely satisfied with the digital payments due to ease of use, convenience, and time saved. Factors like availability, ease of use, efficient features, and perceived safety significantly influenced the customer satisfaction. The study recommends that the payment service providers should focus on enhancing the security, reliability, customer support, and communication while keeping in mind the convenience of the customers.

Keywords: Digital Payment Services, Customer Satisfaction, UPI, Ease of Use, Security and Trust, Service Quality, Convenience and Benefits.

INTRODUCTION

The introduction of digital payment options has transformed the payment process in India. While cash used to be the only way to make payments, digital options may include UPI apps, mobile banking, wallets, and debit/credit cards. Many factors contributed to this process, including the increased use of smartphones and internet access, as well as the government initiatives like Digital India.

As per the statements made by customers regarding their preference for digital payments, the most important factor is convenience. Digital payments allow transactions to be carried out quickly and almost anywhere. Nevertheless, it does not mean that people are satisfied simply because they were able to make a transaction through a digital payment app. Customers expect transactions to be successful, information to be confidential, and their complaints to be processed properly.

Among the most arduous problems faced by users of digital payments are failed transactions, connectivity issues, fraud risks, ambiguous transaction status, and unresponsive support. Therefore, the current study is focused on completing a research dedicated to customer satisfaction in the sphere of digital payment services.

STATEMENT OF THE PROBLEM

The use of digital payment solutions is quite popular currently. However, customers can face issues related to the transactions. For example, a transaction might not go smoothly because of a network error, technical difficulties, or other reasons. Furthermore, users are often concerned about the safety of their personal or financial data and expect some quick assistance in case of problems.

This research seeks not merely to find out whether customers employ digital payment options, but rather to understand if they are happy with the experience. Knowing what is important for customers allows banks, fintechs, and payment service providers to improve their services according to needs of customers.

OBJECTIVE

The primary objective of this study is to understand the level of satisfaction customers experience when using digital payment services. Alongside this, the study also seeks to explore several related aspects that shape this satisfaction. It aims to examine how ease of use influences customer satisfaction, and to analyse the role that security and trust play in shaping how customers perceive these services. The study further evaluates the impact of service quality on customer satisfaction, while also assessing how convenience and the various benefits offered by digital payment platforms contribute to overall user contentment. In addition, the research attempts to identify the everyday problems and challenges that customers face while using digital payment services, in order to gain a more complete picture of their experience.

RESEARCH QUESTIONS

- How satisfied are customers with the digital payment options?
- In what manner does use facilitation contribute to satisfaction?
- In what way does trust and security matter in relation to satisfaction?
- In what way do customers view service quality in terms of satisfaction achieved?
- How does convenience and advantage influence customers' experience concerning digital payment systems.

LITERATURE REVIEW

Research carried out by Shruthi L. and others (2026) on digital payment services on consumer satisfaction pointed out that advancement of digital economy, e-commerce and internet banking has changed consumer payment behavior. The research showed that there is a close connection between the factors associated with adoption and satisfaction.

Another research that executed an analysis of customer satisfaction concerning digital banking services in the Delhi-NCR area applied SERVQUAL method of service quality assessment and showed the importance of the service quality.

The study conducted by the researchers on customer satisfaction with digital banking in Coimbatore applied descriptive research strategy in order to prove that mobile banking and UPI are the major methods used by users for the maximum transactions due to convenience and time economy. The research also evidenced various issues that some users encountered such as security concerns, technical problems and usability difficulties.

An investigation into the literature regarding Indian consumers' perceptions of digital payment systems has uncovered trust, safety, ease of use and technological knowledge as the key elements affecting people's feelings about digital payments. Previous research into payment platforms has shown that convenience is key.

While prior studies have provided different pieces of information about digital payment acceptance, they usually analyse each factor separately. Therefore, the current study combines the analyses of usefulness and safety along with quality of service and convenience to explore how various aspects of use are related.

RESEARCH GAP

Numerous previous studies have addressed the issues around the acceptance of digital payments separately in the context of safety, quality of services, and opinions of clients. The current study combines all four aspects of digital payment acceptance to assess their relationship with the overall customer satisfaction level using the sample of a larger size, consisting of 278 individuals. The research also applies various statistical tests to determine what customer experience contributes to his/her satisfaction.

RESEARCH METHODOLOGY

The current research utilized a descriptive approach in order to analyze customers' perceptions, beliefs, and satisfaction with digital payment services. A quantitative method was used as information from the survey was processed into numerical form and analyzed statistically. Convenience sampling was employed in the research, in which survey participants were those available and willing to take part in the survey. Therefore, a total of 278 participants formed the sample.

The researchers used primary as well as secondary sources in order to obtain information required for the study. To collect primary information, a specially designed questionnaire was used which consisted of questions related to the participants' characteristics and statements concerning different aspects of digital payment services.

A Likert scale with five points was used to assess respondents' views about the study, which was rated in terms of Strongly Disagree (1) to Strongly Agree (5). The five-point scale used to measure the level of satisfaction also ranged from Highly Dissatisfied (1) to Highly Satisfied (5). The researchers also sought secondary sources of information, including academicians, journals, books, research papers, and reports from RBI and NPCI, the government, and other relevant websites that deal with digital payment services.

The analysed data were interpreted through the relevant statistical tool, here, percentage analysis was used to know respondents' demographic profile and behaviour patterns and mean and standard deviation was calculated to locate the average values of responses and the spread of responses among the respondents.

Pearson correlation analysis was employed to investigate whether there is a correlation among the chosen factors. Multiple regression was used to evaluate the role of ease of use, safety and trust, service quality and convenience and advantages while influencing the level of customer satisfaction. Besides, chi-square test was applied to check if there is a significant correlation between chosen categorical variables.

LIMITATIONS

This study, like any other, has certain limitations that ought to be noted when analyzing its outcomes. First, only 278 participants were involved in the research and the results cannot be generalized to all users of digital payments in the country. It would also be important to keep in mind that such a method as convenience sampling was utilized. As per the use of self-reports, some forms of bias in responses may also exist. Moreover, the findings reflect only the particular moment in time when the research was carried out and could change in the future. Additionally, the research is carried out in regard to a specific limited range of factors that can influence customer satisfaction. Finally, the study does not provide an analysis of customer satisfaction according to demographic characteristics.

DEMOGRAPHIC PROFILE

Profile	Major Category	Frequency / Percentage
Gender	Male	165 (59.4%)
Age	20–30 years	131 (47.1%)
Occupation	Student	98 (35.3%)
Monthly Income	Below ₹25,000	99 (35.6%)
Most-used Service	Google Pay	101 (36.3%)

Participants in the study hailed from various demographic backgrounds. Of the participants, 59.4% were male while females constituted 40.6%. The most significant age range represented was that of between 20 and 30 years comprising 47.1%. With respect to occupation, students formed the largest category with 35.3% followed by private employees with 30.6%. The majority of the participants fell under the income category of below ₹25,000 per month.

As far as the most used platform is concerned; Google Pay was found to be the most used follow by PhonePe.

CORRELATION ANALYSIS

Correlation analysis was carried out to check if there were any interconnections among the chosen digital payment experiences. The initial analysis looked at the link between the most commonly used digital payment service and cash decrease dependency.

Variables	Pearson Correlation	Sig. (2-tailed)	Decision
Most frequently used service × Reduction in cash dependence	0.032	0.593	Not Significant
Completing transactions without difficulty × Anytime-anywhere payments	0.591	0.000	Significant

Overall, the first correlation was weak and non-significant ($r = 0.032$, $p = 0.593$), meaning that the null hypothesis held true in this case. The second relationship between the variables turned out to be moderately strong and significant ($r = 0.591$, $p < 0.001$), which confirms that customers who find transactions easier also value the possibility of making payments anywhere and at any time.

REGRESSION ANALYSIS

Regression analysis was used to understand whether selected customer perceptions had a significant influence on satisfaction-related outcomes.

Predictor / Outcome	R	R^2	F	B	Beta	p-value
Time-saving benefit	0.576	0.331	136.842	0.637	0.576	0.000
Confidence in personal & financial data protection	0.536	0.287	111.304	0.381	0.536	0.000

As per the initial regression results there appears to be an important positive correlation for the time-saving advantage factor with $R^2 = 0.331$ and p-value equals to less than 0.001. The regression coefficient B = 0.637 and Beta equals to 0.576 indicate there exists a positive effect.

The second regression indicates a significant positive effect of consumer's confidence with the personal and financial information safety with $R^2 = 0.287$ and p-value less than 0.001. Thus, it can be concluded that people pay attention to both practical values like time-saving and confidence in the security of their data.

CHI-SQUARE ANALYSIS

Test	Chi-square	df	p-value	Decision
Selected categorical variables and overall satisfaction	3.507	3	0.320	Not Significant / H_0 Accepted

The Chi-square result was registered to be 3.507, with 3 degrees of freedom and a significance value of 0.320. Because the p-value is higher than 0.05, the relationship under exploration was not statistically significant. Therefore, the null hypothesis was accepted in this test.

FINDINGS

According to the findings, it was shown that a majority of the respondents had their experiences with digital payment services being positive, as 84.9% stated that they were either satisfied or very satisfied. In terms of demographics, respondents between 20-30 years old formed the biggest segment of the population. Besides that, it was noted that the largest segment of the working population was represented by students along with private employees.

In terms of various systems used, it was determined that the most widely used system was Google Pay. Ease of use was also rated relatively high, with the average score being equal to 4.4, while ease of transaction completion reached the score of 4.41. Time savings were also perceived as the most important benefit with the score of 4.53, while everyday transaction ease and the possibility to pay anywhere anytime were scored even higher, at 4.56 and 4.55 accordingly. Security measures such as OTP and PIN helped create confidence among 91% of respondents. Not everything, however, received high ratings; customer support performed quite poorly, achieving a mean score of only 4.00. Although 73.4% of those surveyed believe that their data is secure, this aspect also requires improvement.

At the same time, it has been noted that there was no clear correlation between the most common service and reduced reliance on cash; however, a moderate positive correlation has formed between convenience of operations and possibility to pay at any time and in any place. Finally, regression analysis revealed good effects of time-saving and assurance of safety of personal and financial data on customer satisfaction.

SUGGESTIONS

In accordance with the above findings, some recommendations can help to improve the digital payment experience for customers. Among these recommendations, it will make sense for the suppliers to focus on the need for faster and more effective customer support since this aspect was identified as one of the weakest in the study. It is also necessary to focus on the increased protection of clients' personal and financial information which has to be clearly communicated for them to feel more secure. Apart from that, reducing the number of transaction failures, technical delays, and payment stops will significantly improve the user experience. Moreover, it is important to keep applications simple and user-friendly. It is also important to keep forwarding information to customers about OTPs, PINs, passwords, and other safe payment techniques. Finally, in order to maintain interest in using digital payments, it is necessary to continue providing clients with cashback as well as coupons. Moreover, service providers would do well to regularly gather and implement customer feedback to enhance service quality, while also ensuring clear communication during technical failures or interruptions.

Considering the future, it would be useful to conduct more research on bigger samples and to apply analyses that would incorporate additional variables like transaction fees, privacy, fraud experience, design of an app, rewards, connectivity, etc. to create a fuller image of customer satisfaction.

CONCLUSION

This research shows that digital payment services are an integral part of modern financial transactions. The survey of 278 respondents demonstrates that a big percentage of customers are satisfied.

Customers appreciate the advantages of digital payment services such as their speed and ease of use, convenience and the possibility to make payments without regard to the place and time. The security aspect of the digital payments is also very important.

At the same time, it can be stated that customers expect more from the digital payment services than just fast transactions. Customers tend to believe that their data are safe, transactions are performed without failures and their complaints are processed quickly. The close connection between fast payments and the possibility of making payments at any time and in any place indicates that usability is critical.

To sum up, we can say that digital payment services can improve their customer satisfaction by keeping the same convenience while providing customers with better terminal services and data security systems.

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