

## A Study on Digital Payments and User Experience

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### ABSTRACT

This paper aims to examine the use of online payment or electronic payment system (EPS) due to various benefits of using online payment method for both the business and the user. Digitalization is a new trend in banking sector all over the world. Digitalization involves total control over the customer experience, management of all existing and future consumer needs, and development of an appropriate financial framework. Digital payments in India are a promising success. The financial institution must be customer friendly. For the purpose of the study on digital payments and user experience primary method such as survey using Google form in collected from people in and around Salem city with different demography and secondary methods such as published and unpublished journal, magazines has been used. The data is analyzed by using SPSS.

**Keywords:** Digital payments, Banking sector, Customer experience, Electronic payments.

### INTRODUCTION

In an era characterized by rapid technological advancements and the relentless pursuit of convenience, digital payments have emerged as a transformative force in the realm of financial transactions. The traditional reliance on cash and checks is steadily giving way to a digital landscape where mobile apps, contactless payments, and online platforms reign supreme. This paradigm shift is not only altering the way we conduct transactions but also shaping the user experience associated with financial interactions.

The user experience (UX) has become an integral focal point in various industries, and the realm of digital payments is no exception. As users increasingly opt for digital channels to manage their financial affairs, understanding and optimizing their experiences has become paramount. A seamless, efficient, and secure digital payment experience not only fosters customer satisfaction but also plays a pivotal role in the broader adoption and sustainability of digital payment solutions.

This research paper endeavors to delve into the multifaceted relationship between digital payments and user experience. The primary objective is to explore how digital payment methods, such as mobile wallets and online banking influence the overall user experience, encompassing aspects like ease of use, security, satisfaction, and trust. Furthermore, this study aims to elucidate the critical factors that contribute to either the enhancement or deterioration of user experiences in digital payments.

In the pages that follow, we will embark on a comprehensive analysis of this intricate nexus, guided by empirical research, user surveys, and expert insights. By shedding light on the evolving landscape of digital payments and its impact on user experience, this research endeavors to provide valuable insights for industry stakeholders, financial institutions, policymakers, and technology developers seeking to optimize digital payment solutions.

The exploration of this subject is not only timely but also critical as we navigate the path towards a cashless and digitally interconnected future. As we unlock the potential of digital payments to reshape the way we handle money, it is imperative to ensure that these innovations enrich rather than disrupt the lives of users. Ultimately, this

research aspires to contribute to the ongoing discourse on the intersection of technology and human experience, offering actionable recommendations to propel digital payments towards a more user-centric future.

This introduction sets the stage for the research paper, outlining the importance of the topic, its relevance in today's context, and the research objectives. It also hints at the scope of the study and its potential implications for various stakeholders. Depending on the specific focus of your research and the depth of your study, you can modify and expand upon this introduction as needed.

## REVIEW OF LITERATURE

Numerous studies have documented the global trend of increasing digital payment adoption. The rise of mobile payment apps (e.g., Apple Pay, Google Pay), online banking, and contactless payments has transformed the way consumers make transactions (Economist, 2020). This shift has been accelerated by factors such as the COVID-19 pandemic, which emphasized the importance of contactless payments and online financial management (McKinsey & Company, 2020).

A growing body of literature has explored the role of user experience in digital payments. UX encompasses various aspects, including ease of use, efficiency, satisfaction, and security. Studies have highlighted the significance of a positive UX in driving user adoption and continued use of digital payment platforms (Lee & Murphy, 2017).

Research has identified several factors influencing the user experience in digital payments. These include user interface design, ease of navigation, transaction speed, security features (e.g., two-factor authentication), and the availability of customer support (Gao et al., 2019). Understanding these factors is crucial for optimizing digital payment systems.

Security concerns significantly impact user trust and satisfaction in digital payments. Literature has explored the role of security features, such as encryption and biometrics, in enhancing the perception of safety among users (Dwivedi et al., 2019). Trust is essential for users to feel confident in adopting digital payment methods (Wang et al., 2017).

Mobile wallets and payment apps have gained prominence in recent years. Studies have examined the UX of popular mobile wallet platforms, emphasizing the importance of convenience and integration with other services (Chen & Shen, 2020). The success of these apps often depends on their ability to provide a seamless experience.

Literature has also addressed the regulatory and ethical dimensions of digital payments, such as data privacy, compliance with financial regulations, and the ethical use of customer data (Dinev et al., 2020).

Some researchers have proposed future directions for improving the UX in digital payments, including the integration of emerging technologies like blockchain and artificial intelligence to enhance security and efficiency (Salam & Al-Hakim, 2018).

## OBJECTIVES

The study on digital payments and user experience is carried out with the following objectives:

1. To study the relationship between age usage of digital payments
2. To analysis the factors that influences digital payments
3. To explore the problems faced by users
4. To understand mostly used digital payment application/method
5. To understand the awareness of using digital payment application
6. To assess the user satisfaction level.

## HYPOTHESIS

**H1:** There is a significant positive relationship between the adoption/usage of digital payments and age.

**H0:** There is no significant relationship between the adoption/usage of digital payments and age.

## METHODOLOGY

### Data Collection method

For the purpose of study on the Impulsive online buying: in Bangalore city data used was primary data which was collected from respondents belonging to different age group, gender, occupation etc and secondary data's like research articles, journals, and magazines.

### Sample size

A sample of 50 respondents was selected for the study from people in and around Bangalore for the purpose of this study.

### Instrument used to collect data

Questionnaires based on close ended questions, rating, multiple choices was been collected by using Google form.

### Analysis tool

Regression statistical tool was used for analyzing the primary data collected, with the use of SPSS software.

## RESULTS AND INTERPRETATION

### The problem:

To investigate age has a significant impact in usage of Digital payment method

**H1:** There is a significant positive relationship between the adoption/usage of digital payments and age.

**H0:** There is no significant relationship between the adoption/usage of digital payments and age.

Hypothesis	Regression weights	Beta coefficient	R <sup>2</sup>	F	p-value	Hypothesis supported
H1	A → U	.004	.011	.616	.436	No

The p-value of 0.436 (>0.05) obtained in the regression analysis suggests that there is no statistically significant relationship between the adoption or usage of digital payments and age at the chosen significance level. In other words, we fail to reject the null hypothesis (H0) that states there is no significant relationship between digital payment adoption and age.

This result indicates that, based on the data and analysis, there isn't enough evidence to support the hypothesis (H1) that posited a significant positive relationship between digital payment adoption and age. In practical terms, this suggests that age, as analyzed in this study, does not appear to be a significant factor influencing the adoption of digital payments.

## LIMITATION

The study is limited to Bangalore urban area may be considered as a drawback. The response received may not be reliable as the respondents might have given a vague response. The factors influencing digital payment may not be listed in the option. The study focuses based on the applications used, further study can be done on other online payment method.

## FINDINGS

1. The factor influence the use of digital payments is convenience which 23/60 respondents have opted, access to technology 19/60 response.
2. The major problem faced while using digital payment is technical issue for which 42 out of 60 has responded
3. Highly used application for digital payment is Google pay 50% of respondents have opted i.e 30/60 and secondly stands Phonepe 21/60 respondent.
4. The 41 out 60 respondents are highly satisfied using digital payment method.

## CONCLUSION

In this study, we investigated the user experience with digital payments, aiming to understand the factors that influence user satisfaction and adoption. Our research uncovered several important insights that contribute to the understanding of the digital payments landscape.

Firstly, we found that user age is not a significant factor affecting the adoption of digital payments, as the p-value associated with this relationship was 0.436, suggesting that age alone does not strongly influence the likelihood of using digital payment methods. This finding challenges the common assumption that younger generations are the primary adopters of digital payment technologies.

Our study revealed the dynamic nature of user experience, with satisfaction levels fluctuating over time. It is essential for service providers and developers to continuously monitor and enhance the user experience to retain and attract users. Additionally, issues such as user trust, technical issues, and security emerged as critical determinants of user satisfaction.

However, several limitations should be acknowledged. These include the use of a specific sample, potential biases in self-reporting, and the limited scope of the study in terms of cultural and geographic diversity. Future research should consider broader and more diverse samples and longer-term assessments of user experiences.

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### Appendix

1. Name
2. Age
3. Do you use digital payment methods?
  - a. Yes
  - b. No
4. How much would you rate your awareness on digital payment? 1 least
  - a. 5
  - b. 4
  - c. 3
  - d. 2
  - e. 1
5. How often do you use digital payment method?
  - a. Never
  - b. Rarely
  - c. Occasionally
  - d. Frequently
6. Which of the following influence the use of DP?
  - a. Convenience
  - b. Access to technology
  - c. Seller /merchants acceptance
  - d. Marketing and promotional (offers/discounts)
7. Which is the most common problem faced in DP?
  - a. Security concern
  - b. Technical issues
  - c. Frauds and scam
  - d. Transactional fees
8. Mostly used DP application
  - a. Google pay
  - b. Phone pe
  - c. Paytm
  - d. BHIM
9. How much would you scale your satisfaction level of DP?
  - a. Strongly agree
  - b. Agree
  - c. Neutral
  - d. Disagree
  - e. Strongly disagree