

# A Study On Perception And Attitude On Digital Payment Among Urban Customers At Phonepe Pvt Ltd

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## ABSTRACT

*The study aims to analyze the **perception and attitude of urban customers** toward digital payments, with a specific focus on **PhonePe Pvt Ltd**. It explores key factors influencing the adoption, satisfaction, and challenges faced by users in using digital payment services. A quantitative research approach was employed, gathering data through structured surveys from urban customers using PhonePe. The study utilizes statistical tools to assess trends, user behavior, and key determinants of digital payment adoption. The study reveals that **convenience, transaction speed, security, cashback offers, and ease of use** are significant factors influencing user adoption. While most urban customers prefer digital payments over cash transactions, concerns related to **cybersecurity risks, transaction failures, and customer support** persist. Additionally, demographic factors such as **age, income, and education level** play a crucial role in shaping user behavior.*

## INTRODUCTION

In recent years, the rapid advancement of digital technology has revolutionized the financial sector, particularly in the area of digital payments. The increasing penetration of smartphones, internet connectivity, and government initiatives promoting a cashless economy have significantly contributed to the widespread adoption of digital payment platforms in India. Among these, **PhonePe Pvt Ltd** has emerged as one of the leading digital payment service providers, offering seamless and secure transactions through its mobile-based application.

## NEED FOR THE STUDY

The digital payment landscape in India has witnessed exponential growth, driven by technological advancements, government initiatives like **Digital India**, and increasing consumer preference for cashless transactions. **PhonePe Pvt Ltd** has emerged as a major player in this ecosystem, offering a seamless and user-friendly platform for digital transactions. Despite this growth, challenges such as security concerns, transaction failures, and user awareness continue to impact the adoption and satisfaction of digital payment services.

## OBJECTIVES OF THE STUDY

- 1) To examine the level of awareness and usage of PhonePe among urban customers.
- 2) To assess the factors influencing customer perception and adoption of digital payments.
- 3) To analyze customer satisfaction with PhonePe's services, including ease of use, security, and transaction efficiency.
- 4) To identify the key challenges and barriers faced by users while using PhonePe for digital transactions.

- 5) To evaluate the impact of demographic factors (age, income, education, etc.) on the usage of PhonePe.
- 6) To provide insights and recommendations for improving digital payment services based on user feedback.

### SCOPE OF THE STUDY

The study focuses on analyzing the **perception and attitude of urban customers** toward digital payments, with a specific emphasis on **PhonePe Pvt Ltd**. It aims to explore the factors influencing the adoption, satisfaction, and challenges faced by users in digital transactions.

### METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyze 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.

#### TOOLS USED:

Statistical tools are involved in carrying out a study include planning, designing, collecting data, analyzing, drawing meaningful interpretation and reporting of the research findings. The tools are used are

- Chi-Square test
- Annova test

### LIMITATIONS OF THE STUDY

- 1) The study is based on **100 respondents**, which may not be fully representative of the entire urban population using digital payments. A larger sample could provide more comprehensive results.
- 2) The study focuses only on urban users, excluding rural customers who may have different perspectives, challenges, and adoption patterns.
- 3) The selection of respondents through **convenience sampling** may lead to biased results, as it does not ensure equal representation across all demographics.

### REVIEW OF LITERATURE

- 1) **"Digital Payments in India: A \$10 Trillion Opportunity"** (2022)  
*PhonePe Pulse and Boston Consulting Group*  
This report projects that India's digital payments market will triple from \$3 trillion to \$10 trillion by 2026, highlighting the rapid adoption of platforms like PhonePe.
- 2) **"How Urban India Pays"** (2024)  
*Kearney India and Amazon Pay India*  
A comprehensive survey revealing that 90% of urban Indian consumers with internet access prefer digital payments for online purchases, indicating a significant shift towards platforms such as PhonePe.
- 3) **"Swipe Right: India's Love Affair with Digital Payments"** (2024)  
*The Hindu BusinessLine*

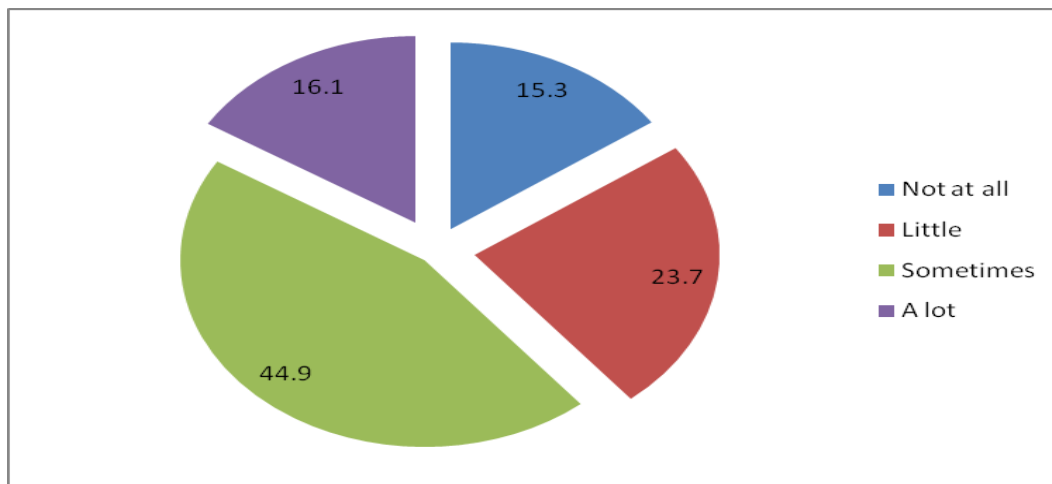
This article discusses the widespread adoption of digital payments in urban India, noting that 75% of consumers with internet access use digital payments, with UPI platforms like PhonePe being central to this trend.

#### DATA ANALYSIS AND INTERPRETATION

Table 4.1:14 Network issues of respondents

| Differences | No of respondents | Percentage |
|-------------|-------------------|------------|
| Not at all  | 18                | 15.3       |
| Little      | 28                | 23.7       |
| Sometimes   | 53                | 44.9       |
| A lot       | 19                | 16.1       |
| Total       | 120               | 100        |

Fig 4.14: Network issues of respondents



INTERPRETATION: From the above table it is interpreted that 53% of respondents have network issues sometimes while 28% of respondents have little.

INFERENCE: Majority (53%) have network issues sometimes

Table 4.1:15 Satisfaction levels of respondents

| Variables   | Strongly agree | Agree | Neutral | Disagree | Strongly agree | Total |
|-------------|----------------|-------|---------|----------|----------------|-------|
| Services    | 54             | 43    | 19      | 2        | 2              | 120   |
| Convenience | 17             | 51    | 46      | 6        | 0              | 120   |
| Security    | 14             | 34    | 60      | 10       | 2              | 120   |
| Maintenance | 15             | 60    | 33      | 10       | 2              | 120   |

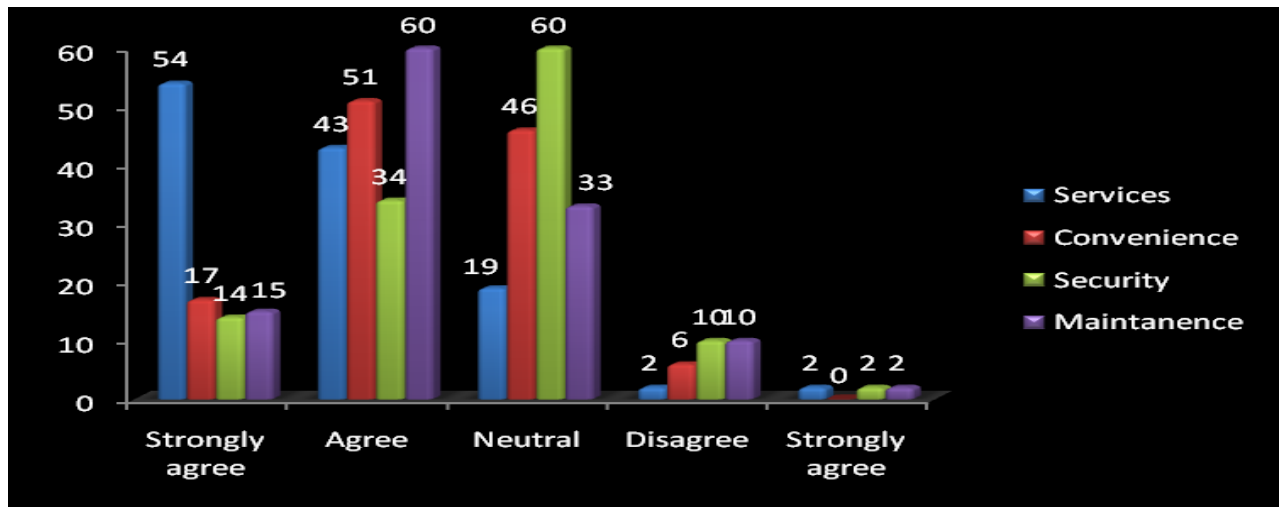


Fig 4.15 Satisfaction level of respondents

INTERPRETATION: From the above table it is interpreted that 60% of respondents have rate security neutral and 60% of respondents agree for maintenance

INFERENCE: Majority (60%) of security neutral and (60%) of maintenance agree.

Table 4.1:16 Experience of respondents

| Satisfaction level | No of respondents | Percentage |
|--------------------|-------------------|------------|
| Excellent          | 15                | 12.5       |
| Good               | 93                | 77.5       |
| Fair               | 11                | 9.2        |
| Poor               | 1                 | 0.8        |
| Total              | 120               | 100        |

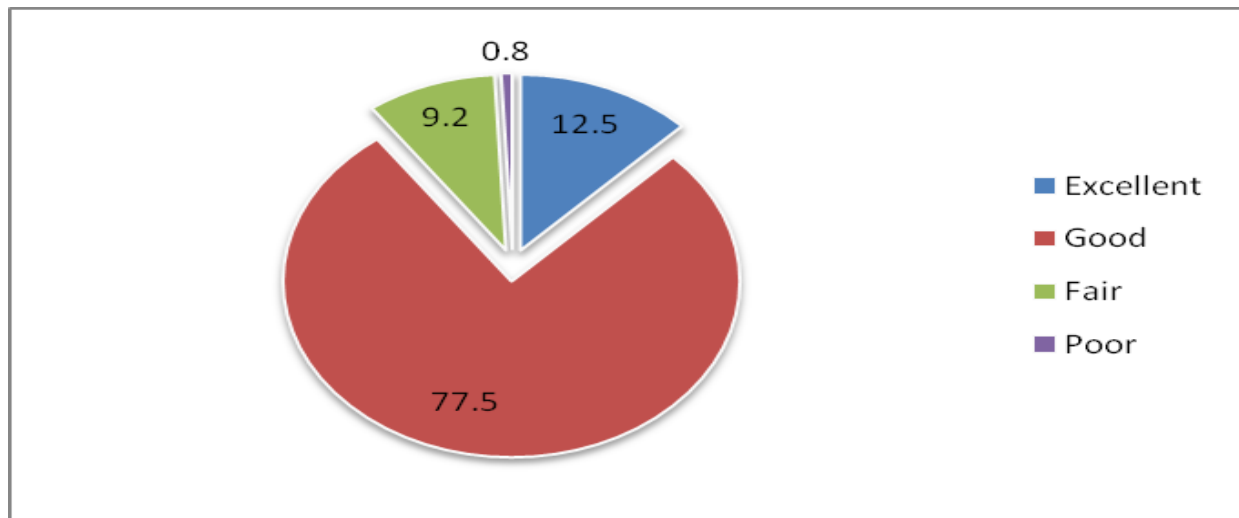


Fig 4.16: Experience of respondents

INTERPRETATION: From the above table it is interpreted that 77.5% of respondents rated good and 12.5% of respondents rated excellent.

INFERENCE: Majority (77.5%) rated good using online payment apps.

## CHI SQUARE TEST

TABLE 4.2.1: Table showing the association between Gender and often use online payment apps

Null hypothesis (H0): There is no significance difference between Gender and respondents often using online payment apps.

Alternative hypothesis (H1): There is a significance difference between Gender of the respondents and respondents often using payment apps.

### Chi-Square Tests

| Value              |                      | df | Asymptotic<br>Significance (2-<br>sided) |
|--------------------|----------------------|----|------------------------------------------|
| Pearson Chi-Square | 127.147 <sup>a</sup> | 10 | .000                                     |
| Likelihood Ratio   | 20.703               | 10 | .023                                     |
| N of Valid Cases   | 121                  |    |                                          |

a. 12 cells (66.7%) have expected count less than

5. The minimum expected count is .01.

Source: Primary data

Interpretation:

Since p value is lesser than 0.05, we accept Alternate hypothesis and reject Null hypothesis. Therefore, there is significance difference between Gender of the respondents and the respondents often using online payment apps.

### 4.3. ANOVA:

Table 4.3.1: Table showing significance difference between age of the respondents and time and money saved by respondents

Null Hypothesis (H<sub>0</sub>): There is significance difference between Age of the respondents and time and money saved by respondents.

Alternative Hypothesis (H<sub>1</sub>): There is no significance difference between Age of the respondents and time and money saved by respondents.

#### ANOVA

doonlinepaymentappsaveyourtimeandmoney

|                | Sum of Squares | df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 17.762         | 4   | 4.440       | 1.616 | .175 |
| Within Groups  | 318.751        | 116 | 2.748       |       |      |
| Total          | 336.512        | 120 |             |       |      |

Source: Primary data

#### INTERPRETATION:

Since p value is greater than 0.05, we accept null hypothesis and reject Alternative hypothesis. Therefore, there is no significance difference between age of the respondents and time and money saved by respondents.

### 5.1 FINDINGS

- Majority (75%) of the respondents are male.
- Majority (74.2%) of the respondents are unmarried.
- Majority (68.3%) of the respondents are between 18-28 years old.
- Majority (64.2%) of the respondents are graduates.

- Majority (47.1%) of the respondents are others (students).
- Majority (79.2%) of the respondents are with one bank account.
- Majority (50.8%) of the respondents are private bank customers.
- Majority (84%) of the respondents use always.
- Majority (48%) of the respondents use online payment apps for mobile phone bill payment.
- Majority (58%) of the respondents often use 2-3 times online payment apps.
- Majority (89%) of the respondents don't have barriers on .
- Majority (43.2%) of the respondents strongly agree that online payment apps save time and money.
- Majority (86%) of the respondents strongly agree that it is easy to navigate.
- Majority (53%) of the respondents have network issues sometimes.
- Majority (60%) of the respondents have security issues and also agree maintenances good.
- Majority (77.5%) of the respondents rated good for online payment apps.

### SUGGESTIONS

- Digital financial services should be taught as part of the curriculum in colleges, schools and other educational institutions so that students' awareness of digital payments improves.
- Regional languages like Malayalam should be available on banking websites to make them more fun and user-friendly.
- Government should strive to accept requests for digital payments.
- Banks should organize workshops for their customers so that they can express themselves and see that their problems are addressed and resolved in a timely manner.
- It is easy and simple to use. Users are free to use it.
- The online payment app is very handy and useful for the customers but it is also creates some security problem while using the apps.
- The online payment app should maintain privacy for the customer's in order to use safe and secured.
- The payment app should develop their app and also fix the problems of delay in transactions issue faced by the customers in current scenario.
- Online payment apps should be upgraded and create more innovative ideas with the payment system.

### CONCLUSION

An evolutionary succession has been witnessed by payment methods from cash to online payment apps like

phone pe, paytm, and bhim app etc., and currently to electronic commerce and mobile banking. In this paper, it has been studied that online payment methods are increasingly being used for making daily online as well as onsite purchases. The issues associated with online payment as well as the adoption of electronic commerce for making payments by customers has been discussed in this paper. Furthermore, the advancements in technology supporting mobile transactions and making them more convenient and transparent is developing trust among customers who are becoming habitual of employing this mode of payment. This change in the behaviour of customers showing a transition from the traditional to an advanced online mode of payment is apparent in retailing and banking, and with nearly all available mobile devices. The statistics shown in this study signify that the number of customers employing online mode of payment and making online transactions are continuously growing, hinting at an everlasting acceptance of online payment systems. However, the adoption and deployment of several rising technologies carry new opportunities and challenges to the implementation and design of secure online payment systems in the present day as well as in near future.

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