



An investigation on people trust towards digital payment app

¹Anusha T.N.S, ²Snehaa Sriraman, ³Keerthana.E, ⁴Bhargavi.S, ⁵Yash Rathi, ⁶Vigneshvaran. D

¹Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – anusha.amarnath2001@gmail.com

²Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – sds37219@gmail.com

³Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – keerthanaethirajulu748@gmail.com

⁴Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – bhargavisubramanian07@gmail.com

⁵Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – yashr712111@gmail.com

⁶Student, M.B.A, DG Vaishnav College, Chennai, India.
Email – vickysubash20@gmail.com

Abstract: In India, the use of internet and mobile phones has increased significantly during the past ten years. The use of digital payment is growing exponentially as a result of rising internet usage, mobile phone adoption and government initiatives like Digital India. Electronics Digital payments are those made by customers at the point of sale (POS) for goods and services via online banking, mobile banking or card payment using a smart phone. The adoption of digital payment is significantly and favourably impacted by how consumers view them.

For the purpose of conducting research, a structured questionnaire was made to learn how people trust the digital payment apps. The researcher has collected data from Chennai residents and used 'R' software for hypothesis test, to find significance difference.

Key Words: Digital payment, Mobile banking, Digital India, Point of sale, Hypothesis test, Significance difference.

1. INTRODUCTION:

Every disruption presents fresh opportunities, and Mr. Narendra Modi's announcement of demonetization on November 8, 2016, was one such disruption. India's demonetization provided a significant growth opportunity for digital payments, and the providers of digital wallets seized the chance to increase their market share. Demonetization has given Indian customers a distinctive platform to adopt digital payments as a cash substitute. Digital wallet businesses have grown by 271% by February of current year, reaching a total market value of US\$2.8 billion (Rs. 191 crores). The National Payments Corporation of India (NPCI), which developed the Bharat Interface for Money (BHIM) app, and the Indian government had been aggressively promoting a number of digital payment applications, including the Aadhar Payment app and the UPI app. App-based digital transfers have changed behaviour and aided in the growth of electronic payments. Due to this, it is now simpler to transfer money in remote areas that were previously unaffected by digital payment methods. The digital payment sector is a new desirable destination for investment and is now attracting many overseas investors. Comparing to the advantage there are also some disadvantages in digital payments like payment errors, fear of misuse. This research is about how people trust digital payment apps.

MODES OF DIGITAL PAYMENT IN INDIA:

- **BANKING CARDS:**

Banking cards offer users more security, ease of use, and control than any other payment method. The wide variety of cards that are available, including credit, debit, and prepaid cards, also offers a great deal of freedom. RuPay,



Visa, and MasterCard are a few types of card payment systems. Payment cards are accepted at retail locations, over the phone, online, through mail-order catalogues, and in person.

- **USSD:**
Supplemental Unstructured Service Bank data provides a higher level of security, practicality, and control than any other type of payment. The wide variety of cards that are available, including credit, debit, and prepaid cards, also offers a great deal of freedom.
- **AADHAR ENABLED PAYMENT SYSTEM:**
Aadhaar authentication is used in AEPS, a bank-led model that enables online interoperable financial transactions at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC)/Bank Mitra of any bank.
- **UNIFIED PAYMENT INTERFACE:**
A system called the Unified Payments Interface (UPI) combines several bank accounts, easy fund routing, and merchant payments into a single mobile application (of any participating bank). It also offers "Peer to Peer" collect requests, which the user can arrange and pay for whenever it's convenient.
- **MOBILE WALLETS:**
A mobile wallet can be used to carry around digital cash. Online or by connecting your credit card or debit card information on a mobile device, you can transfer money to a mobile wallet. A person's account needs to be linked to a digital wallet in order to add money to it. Most banks and several private companies, like Paytm, Freecharge, and Mobikwik, offer e-wallets.
- **POINT OF SALE:**
The location where sales are made is called a point of sale (PoS). A PoS can be a city, a market, or a mall on a larger scale. Retailers define a PoS as the location where a customer completes a transaction, such as a checkout counter, on a micro level.
- **INTERNET BANKING:**
Internet banking, also known as online banking, e-banking, or virtual banking, allows customers of banks and other financial organisations to conduct a variety of financial transactions via such institutions' websites.
*National Electronic Fund Transfer
*Real Time Gross Settlement
*Electronic Clearing System
*Immediate Payment Service
- **MICRO ATM'S:**
A million Business Correspondents (BC) are expected to use micro ATMs to provide basic banking services. The technology will make it possible for Business Correspondents to carry out immediate transactions (for example, a local kirana shop owner acting as a "micro ATM").

DIGITAL PAYMENT APPS:

- Paytm.
- Amazon Pay.
- Freecharge.
- Airtel Money.
- JIO Money.
- Google Pay.
- Mobikwik.

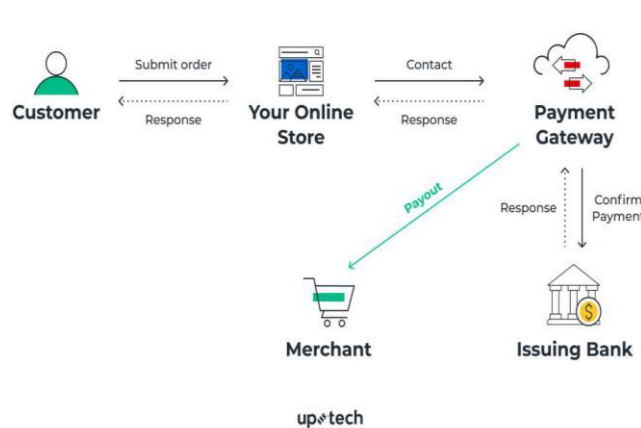


These are the few digital payments app used by the people.

HOW PAYMENT APP WORKS:

Near Field Communication, or NFC, technology is the foundation of the majority of mobile payment methods. In essence, NFC enables communication between devices that are close to one another. Mobile payments allow for the completion of transactions using both consumer electronics like smartphones or tablets and business electronics like credit card terminals.

The majority of customers will use their smartphones' built-in mobile wallets to access this function. An app called a mobile wallet holds debit and credit card information so users can make digital purchases. A user can safely connect their debit or credit card information to a mobile wallet app in order to use a mobile wallet. To avoid fraudulent transactions, the majority of mobile wallets will demand a fingerprint or facial recognition authentication. As an alternative, personalised QR codes can be used to take mobile payments. In these instances, the customer's smartphone generates a QR code including important payment information. To finalise the transaction, the merchant merely scans the code using the POS system.



Sl. No.	Wallet Name	Key Features
1	Paytm	<ul style="list-style-type: none"> Instantaneous bank transfers from Paytm accounts that keep customers' CVV numbers secure. In order to guarantee that the money is secure even if the user loses or misplaces his or her phone, Paytm has included an app password feature for Paytm Wallet. A customer can use Paytm even without a Smartphone.
2	Mobikwik	<ul style="list-style-type: none"> Introduction of M-Wallet for easy storing and transaction of money. Instant recharge without sign-up. Encrypted and highly secured transactions. User friendly mobile application.
3	PayUMoney	<ul style="list-style-type: none"> Auto read of OTP. Picking up the transaction where it dropped. Risk monitoring
4	Citrus	<ul style="list-style-type: none"> Fastest among all the digital wallets. CitrusPay wallet proposes offers and discounts,
5	Oxigen	<ul style="list-style-type: none"> Send money to other mobile phones Shows transaction history



2. STUDY AIMS:

This article is a study about how trust is a primary factor to gain new customers and to retain the existing customers. Below are charts showing the usage and trust of people in digital payment app.

Digital payments will cross 200 billion transactions mark in the next 3 years
 The online payments stood at 72 billion in fiscal year 2022

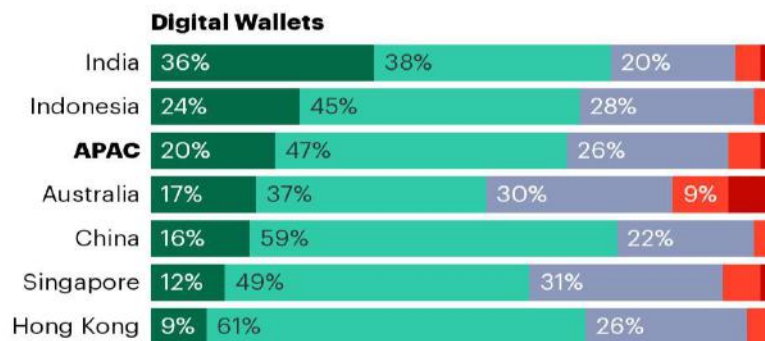


The above graph represents the current and anticipated use of digital payment apps for monetary transactions. The graph clearly shows an upward trend and there is increasing use of digital apps for payment transactions. This implies that the trust of people on digital payment apps is also increasing as the digital payment transaction increases. It is estimated that by FY 2025 there will be 215.6 billion online monetary transactions.

Trust in digital wallets and Buy Now Pay Later services across major APAC markets

To what extent would you say you trust each of the following financial services?

■ Completely trust
 ■ Somewhat trust
 ■ Neither trust nor distrust
 ■ Somewhat distrust
 ■ Completely distrust

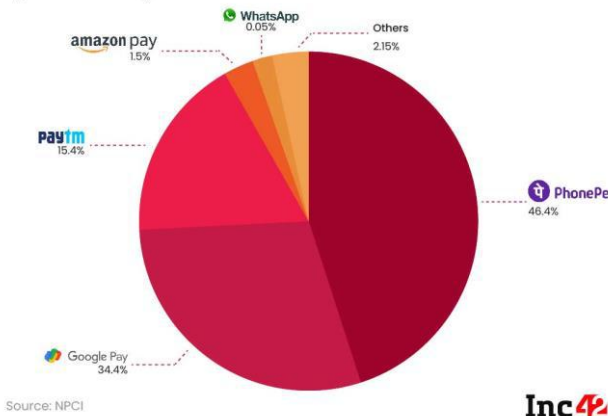


The above graph shows how people of different countries have trust on digital wallets. It covers India, Indonesia, APAC, Australia, China, Singapore and Hong Kong. It is seen that 36% of Indian citizens have complete trust on digital wallets which is the highest among the other countries. Indians trust digital payment apps as it is fast, user friendly, secure and even



small transactions can be noted and can be done from bank instead of cash. Indians have trust on digital transactions as even the government is focusing on Digital India i.e. making India digital and India has their own digital platform i.e. BHIM.

UPI Apps Transaction Count In 2022 (In Lakhs)



Inc42

DECEMBER DATASHEET

	Volume (mn)	Value (₹cr)
PhonePe	902.03	182,126.88
Google Pay	854.49	176,199.33
Paytm Payments Bank App	256.36	31,291.33
Amazon Pay	40.53	3,508.93
BHIM	24.8	7,748.29
WhatsApp	0.81	29.72

Source : NPCI

The above pie chart shows the market share of different digital payment apps in India in the year 2022. The highest market share is of PhonePe followed by Google Pay, Paytm, Amazon pay, Whatsapp and others.

3. LITERATUE REVIEW:

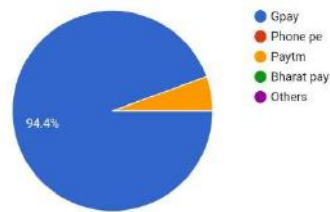
- Research on Continuance intentions to use FinTech peer-to-peer payments apps in India: We demonstrate that confirmation of prior expectations and post-adoption perceived usefulness determine continuance intention to use FinTech payment services. Cognitive acceptance (trust) and normative acceptance (social influence) not only determine behavioural acceptance (willingness to co-create).
- Study of Consumer Perception of Digital Payment Mode: This article is by Shamsheer Singh. The objective of the study was to find out the customer perception and impact of demographic factors on adoption of digital mode of payment. It was found that demographic factor except education does not have much impact on the adoption of the digital payment.
- Study of Consumer Perception Towards Digital Payment Mode in India: To understand concept and the different modes of payment. To understand consumer's perceptions with respect to online and digital payments and safety of these transactions. This study aims to understand the frequency of Digital Payments and factors affecting, or challenges faced by the consumers while using digital payment modes these may affect consumer perception.

4. RESEARCH METHODOLOGY:

The research was done by a closed ended questionnaire. The questionnaire was about the apps they are preferring, whether they have trust on the apps and how frequently they use.



RESPONSE FOR TRUST TOWARDS DIGITAL PAYMENT APP



The study finds that the people have trust on digital apps and everyone are using atleast one of them. The frequency of using the digital payment apps is also penetrating.

The data illustrated that people trust Google pay more than PhonePe or Paytm. The usage of PhonePe is however higher than that of Google Pay. It shows that trust is not a major factor for market share. Even though Google Pay gained trust of people but Phonepay is leading in terms of market share. PhonePe has huge number of customers because of easy usage, minimum error and fast transaction compared to other payment apps.

5. CONCLUSION:

In conclusion, the trust of people on digital payment apps are increasing and the frequency of usage is also increasing. However, trust is not the only factor to gain market share as people go for apps which is user friendly, fast and innovative. People will not go by trust or reputation but by convenience. PhonePe provides multiple options to sign in and this gives everyone a chance to use digital payment apps and increases the number of customers.

THINGS OTHER PAYMENT APPS MUST IMPROVE

1. Fast transaction
2. User friendly
3. Best interface
4. Rewards system
5. Focusing on merchant payment in QR

These are the few things which make a huge impact on customer experience. PhonePe has mostly concentrated on merchant payment which is one of the reason for their success in India.

REFERENCES:

1. Dr. Ranjith P.V. Dr. Swati Kulkarni Dr. Aparna J Varma A Literature Study Of Consumer Perception Towards Digital Payment Mode In India
2. Palak Kanojia <https://orcid.org/0000-0001-9118-157X> Hansraj College, University of Delhi,India
3. Oskar Szumski A Faculty of Management, University of Warsaw, ul. Szturmowa 3, Warsaw0678, Poland Technological trust from the perspective of digital payment
4. Kratika Neema, Arpit Neema International Journal of Current Research in Multidisciplinary 3 (10), 1-10, 2016 A new technique of Digital Payment