A STUDY ON USAGE OF ONLINE PAYMENT APPS BY CUSTOMERS IN AMRAVATI REGION

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Abstract

The adoption of online payment applications has revolutionized the way customers conduct financial transactions, offering convenience, speed, and security. This study explores the factors influencing consumer preferences for online payment apps, including ease of use, transaction security, rewards, and digital literacy. Additionally, it examines the impact of these apps on consumer purchasing behavior, financial management, and overall satisfaction. Data is collected through surveys and secondary research to analyze trends in adoption across different demographics. The findings indicate a growing reliance on digital payment solutions, driven by increasing smartphone penetration and a shift towards a cashless economy. However, challenges such as cybersecurity concerns and technical issues persist. This research provides valuable insights for businesses, financial institutions, and policymakers to enhance the digital payment ecosystem and promote financial inclusivity.

Keywords: Online Payment Apps, Consumer Behaviour, Digital Transactions, Financial Technology.

Introduction

The "Digital India" is the Indian Government's flagship program with a vision to convert India into digitally empowered country. "Faceless, a Paperless, Cashless" is one of the Supposed functions of Digital India. 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 app based to transact across multiple banks.

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

In the past 20 years there has been an evolution of the digital payment which started to get slow attraction from users, researchers as it was bringing change in the modern e-commerce. As it was getting attractive the researchers started to define it in various ways it focused on various fields namely business, IT, accounts & finance. According to Briggs and Brooks (2011) digital payment is a form of payment which is supported by banks and inter connected between individuals and banks for making monetary transaction digitally. Peter and Babatunde (2012) saw digital payment as a mode of payment transaction or transfer of money with the help of Internet. In the same context Adeoti and Osotimehin (2012) referred digital payment as an way of making payment online or in any particular place using the digital mean. Kaur and Pathak (2015) suggested that digital payments are payments which are done for e-commerce purpose where money is exchanged through digital mode. Going by the above definition we can conclude that digital payment is a mode of payment which involves various digital platforms or application to make transaction, using digital means.

Google pay

Google pay is a digital wallet platform and online payment system developed by Google to power inapp, online, and in-person contactless purchases on mobile devices, enabling users to make payments with Android phones, tablets, etc.

Phonepe

Phone pe is an Indian digital wallet platform and online payment company. Using Phone pe, users can send and receive money, recharge mobile, DTH, data cards, make utility payments, pay at shops, invest in tax-saving funds, liquid funds, buy insurance and mutual funds for gold.

Paytm

Paytm is (a partial abbreviation for 'Pay through mobile') Is an Indian multinational e commerce payment system and financial technology company based in Noida, Uttar Pradesh. Paytm is currently available in 11 Indian languages and offers use cases like mobile recharges, utility bill payments, travel, movies, and as well as in store payment at grocery stores and educational institutions with the paytm QR code.

Online Payment Apps – A Literature review

Kaur, Puneet, et al (2020) examines that mobile wallet apps have been increased trend dramatically. It is useful for customers and effectiveness towards transactions and safety payments on behalf this still the mobile wallets not extended in markets.

Ghosh, Gourab (2021) describes that advancement of information and communication technology opened the gate way for modern methods of payments.

Vinitha, K., and S. Vasantha. (2018) Digital revolution has altered the routine life style of people. The power of world wide web and digital payments is having pivotal role in getting connected and making any time anywhere payments at you attain user satisfaction and there by leads to consumer loyalty.

Pillai, Sruthy S., G. Sandhya, and G. Rejikumar. (2019) They describe the trend shows that more people prefer using the non-cash modes when cash shortage was at its crest even for small transaction matter

Maindola, Pallavi, Neetu Singhal, and Akash D.Dubey.(2018) The digital payment landscape is sprouting in the country at a dizzying step. After the demonetization, complete turnaround in the payment landscape has been observed.

Gupta, Knavish, and Nupur Arora. (2020) shows that Perceived ease of use and perceived usefulness have a positive impact on attitude to adopt mobile payment systems. Also, there exists a substantial positive relationship between attitude to adopt mobile payment systems and intention to adopt mobile payment systems.

Mishra, A. B. (2020) The increase of the ability and strength of wireless offers provides right opportunities for rising up offerings to customers. Businesses are starting to realize that e-payment system is the important thing to enhance their brand differentiation, boost sales, customer satisfaction and hold up with competitors.

Singh, Sindhu (2020) The author denotes technological progression in mobile phones has increased the popularity of mobile payments. Users can shop online through a mobile device, which is time saving and convenient. Mobile payment systems involve ongoing interactions between users and payment providers

Pal, Abhipsa, Tejaswini Herath, and H.Raghav Rao.(2020) The popularity of mobile payment services lies in the convenient transactions they offer to users. In the age of growing cybercrime, however, mobile payment transactions carry risks of financial and data losses

Research Methodology

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

Objectives of study

- To analyze the customer satisfaction towards online payment apps.
- To analyze the trend of online payment apps.
- To examine the impact of online payment apps by analyzing the issues faced by customers.
- To analyze the importance, functions, advantages and limitations of online payment apps.
- To analyze the utilization of online payment apps by customers.

Sampling

A sample of 125 people was taken under present study for primary data collection. The respondents of this study considered were the people who use online payment apps and lived in Amravati region. A overwhelming majority (88%) of respondents fell in the 18-30 age group. There were 91 male respondents, which constituted 72.8% of the total sample. Thus the majority of participants in this study were male. Majority of the respondents had post-graduate degree which shows the respondents are highly laureate. 60 respondents (48%) were students, indicating a younger population in the study. Students are more likely to use digital payment apps due to familiarity with technology and a preference for cashless transactions. 65 respondents (52%) i,e, more than half of the respondents belonged to low income.

Area of the study

The Respondents are from Buldhana district majority of data is collected with students.

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

Hypothesis Set 1

- Null Hypothesis (H0): There is no significant relationship between the demographic factors (age, income, education level) of customers in the Amravati region and their frequency of usage of online payment apps.
- Alternative Hypothesis (H1): There is a • significant relationship between the demographic factors (age, income, education level) of customers in the Amravati region and their frequency of usage of online payment apps.

Method of Data collection

Ouestionnaire method

- Demographic Information
- User Experience
- Security and Privacy 0
- Preferences and Future Use

Data Analysis and Interpretation

1. Frequency of using payment apps by respondents.

Frequency	No of respondent	%
Regular	87	69.6
Dailies	12	9.6
Weekly	15	12
Monthly	6	4.8
Rarely	5	4
Total	125	100

Table no.01



Chart no. 01

The data shows that 69.6% of respondents regularly use payment apps, indicating high adoption of digital payments. Only 9.6% use them daily, while 12% use them weekly. A smaller percentage suggests some reluctance or limited need for digital transactions. Overall, the findings highlight strong digital payment penetration with room for increased daily usage and adoption among less frequent users.

2. Most Used Payment Apps

Payment Apps	No of respondent	%
PhonePe	81	64.8
Google Pay	35	28
PAYTM	4	3.2
PayPal	2	1.6
Other	3	2.4
Total	125	100
7	Table no. 02	



Chart no. 02

used by 64.8% of respondents, followed by Google Pay (28%). Other apps like PAYTM (3.2%), PayPal (1.6%), CRED, BHIM, and Amazon Pay (each 0.8%) have significantly lower adoption. This indicates that PhonePe and Google Pay dominate the market, while other apps have minimal usage among respondents

3. Purpose of use

Purpose	No of Respondent	%	
E-Commerce	47	37.6	
Utility Bills	25	20	
P to P Transfer	41	32.8	
Accommodation &Ticketing	1	0.8	
Other	11	8.8	
Total	125	100	
Table no. 03			

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The data shows that the primary purpose of using payment apps is E-Commerce (37.6%), followed closely by Peer-to-Peer (P2P) transfers (32.8%). Utility bill payments (20%) are also a significant use case. Accommodation & ticketing (0.8%) has the least usage, while 8.8% use the apps for other purposes.

Amount	No of Respondent	%
Bellow 1000	26	20.8
1000-10000	64	51.2
10000-50000	27	21.6
More	8	6.4
Total	125	100

4. Average amount that transfer monthly

Table	no.	04
		-



Chart no. 04

The majority of respondents (51.2%) conduct transactions between ₹1,000-₹10,000 per month, indicating moderate digital spending. 21.6% transact between ₹10,000-₹50,000, while 6.4% exceed ₹50,000, showing a smaller segment of high-value users. 20.8% spend below ₹1,000, suggesting minimal digital transactions.

5. Gadget used for online transactions

Gadget use	No of Respondent	%	
Cell Phone	120	96	
Laptop	3	2.4	
Tablet	1	0.8	
Smart Phone	1	0.8	
Total	125	100	
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Table no. 05



Chart no. 05

he data shows that cell phones (96%) are the most preferred device for digital transactions, highlighting their convenience and accessibility. Laptops (2.4%), tablets (0.8%), and smartphones (0.8%) have minimal usage.

Mejor Findings

Demographics & Usage Trends

Most online payment app users (88%) are aged 18-30. Men (72.8%) use these apps more than women (27.2%). A large share (91.2%) have a graduate degree, showing that digital literacy plays a big role in adoption.

Occupation & Income Influence

Students (48%) are the biggest users of online payments, followed by salaried employees (40.8%) and self-employed individuals (8.8%). Despite low incomes (52% earn below ₹10,000), digital payments remain popular

Factors Affecting Usage

- Convenience, speed, and security are key drivers of adoption.
- Limited awareness, cybersecurity concerns, and technical issues act as barriers for older demographics.

Conclusion

Online payment apps have become an integral part of financial transactions, particularly among young, educated users. The study highlights that gender disparities persist, with males using digital payment methods more frequently. Occupation and income levels play a role in adoption, with students and salaried employees being the most active users. While digital payments offer convenience, security concerns and lack of awareness among older populations remain challenges.

Future Scope

- Enhancing Financial Inclusion: Focus on promoting digital payments among older adults and lower-income groups.
- Security Improvements: Strengthening cybersecurity measures to build trust and encourage wider adoption.
- Technological Advancements: Developing user-friendly interfaces and increasing accessibility for less tech-savvy users.

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