



A Study on Customer Satisfaction towards Digital Payment Applications in Coimbatore City

Assistant Professor Ms.V.Vineetha, Ms.R. Janani

Department of Commerce, Rathinam College of Arts and Science

Abstract – This study examines customer satisfaction towards digital payment applications in Coimbatore city. The rapid growth of smartphone penetration and internet connectivity has accelerated the adoption of digital payment platforms such as Google Pay, PhonePe, Paytm, BHIM, and PayZapp. Digital payment systems have become an integral part of daily life, especially after demonetization and government-driven initiatives like Digital India and UPI. This study investigates awareness, usage frequency, satisfaction levels, perceived benefits, and challenges associated with digital payment applications among 100 respondents in Coimbatore city. Primary data was collected through structured questionnaires and analyzed using percentage analysis and Garrett ranking technique. The study finds that a majority of users, particularly in the 18–25 age group, are satisfied with digital payment apps and frequently use Google Pay for transactions. Key benefits identified include time savings, convenience, and ease of use. Major challenges include network issues and data security concerns. The study recommends improving app infrastructure, strengthening security frameworks, and educating users to enhance overall satisfaction.

Keywords: Digital Payment Applications, Customer Satisfaction, UPI, Google Pay, PhonePe, Coimbatore City

I. INTRODUCTION

In the present era of rapid technological advancement, digital payment applications have emerged as a transformative force in the financial ecosystem. A digital wallet or e-wallet is an application that stores debit and credit card information, enabling users to pay for goods and services digitally using their mobile devices. In today's digital era, the usage of the internet has increased dramatically, and customers are adopting digital devices to minimize time spent on traditional banking activities.

The shift towards digital payments gained significant momentum following demonetization in India in 2016, when the government invalidated high-denomination currency notes to curb black money and promote a cashless economy. This policy decision, combined with government initiatives such as Digital India, BHIM (Bharat Interface for Money), and UPI (Unified Payment Interface), provided extensive momentum to digital payment adoption across India.

Popular digital payment apps in India include Google Pay, PhonePe, Paytm, BHIM, and PayZapp. Each of these platforms offers unique features to facilitate seamless financial transactions. Google Pay, developed by Google, allows contactless payments for in-store, online, and app-based transactions. PhonePe offers a comprehensive range of services including money transfers, mobile recharges, bill payments, and investment products via UPI. Paytm provides diverse financial services from bill payments to insurance and investments. BHIM, developed by the National Payments Corporation of India (NPCI), enables fast and secure bank-to-bank transactions through UPI. PayZapp by HDFC Bank provides a single-click payment experience for various services.

Despite the rapid growth of digital payment applications, customer satisfaction remains a critical concern. Users

face challenges such as network failures, security threats, technical glitches, and limited digital literacy. This study titled 'A Study on Customer Satisfaction Towards Digital Payment Applications in Coimbatore City' aims to evaluate the factors influencing customer satisfaction, identify challenges, and suggest actionable improvements.

Objectives of the Study

- To analyze the demographic factors influencing the usage of digital payment applications.
- To identify the frequency and types of transactions for which digital payment applications are primarily used.
- To evaluate customer satisfaction with digital payment applications in terms of ease of use, security, convenience, and overall rating.
- To examine the challenges faced by customers while using digital payment applications.
- To provide suggestions for improving digital payment application services in Coimbatore city.

II. STATEMENT OF THE PROBLEM

Digital payment applications have become increasingly popular in Coimbatore, driven by the convenience of cashless transactions and widespread smartphone use. However, not all users are satisfied with their experiences. Key issues affecting customer satisfaction include ease of use, security concerns, convenience, and quality of customer support. While urban users in Coimbatore have largely embraced digital payments, challenges such as network connectivity issues, transaction failures, data breaches, and lack of awareness continue to hinder seamless adoption.

Furthermore, there is a notable gap in empirical research examining the actual satisfaction levels of digital payment app users at the regional level in Coimbatore. This study aims to bridge this gap by systematically analyzing user experiences, identifying barriers, and evaluating the



overall satisfaction levels among diverse user groups in the city.

III. REVIEW OF LITERATURE

Rathore (2016) observed that smartphones have become an essential part of daily life and that digital wallets allow users to conduct money transactions conveniently using mobile applications.

Manikandan (2017) studied the application and usage of mobile wallets endorsed by various companies and examined the factors affecting consumer decisions to adopt mobile wallets, along with associated risks and challenges.

Kavitha and Sampath Kumar (2018) noted that demonetization resulted in tremendous growth in digital payments and that government initiatives like Digital India, UPI, and BHIM apps have significantly contributed to this growth.

Mishra and Swain (2018) highlighted that mobile payment systems have gained popularity due to increased smartphone penetration and cheap high-speed internet, although adoption remains unsatisfactory despite significant government efforts.

Singh (2019) examined the adoption behavior of digital wallets and found that customers are transitioning from traditional plastic money to e-wallets due to the ease and simplicity they offer in daily transactions.

Kaur et al. (2020) found that mobile wallet app usage has increased dramatically and that they are useful for customers in terms of effectiveness and safety in payments, though market penetration remains a challenge. Anshari et al. (2021) noted that the adoption of e-wallets can enhance the efficiency of financial institutions and provide new convenient services, particularly for younger users who have quickly adapted to digital payment platforms.

Ghosh (2021) described that advancements in information and communication technology have opened gateways for modern payment methods, with smartphone growth and internet access accelerating digitalization and making transactions faster and smoother.

IV. RESEARCH METHODOLOGY

1. Research Design

The study follows a descriptive research design to systematically measure, evaluate, and analyze customer satisfaction towards digital payment applications in Coimbatore city. The descriptive design aims to accurately describe the characteristics, behaviors, and perceptions of users regarding digital payment platforms.

2. Data Collection

- **Primary Data:** Collected through structured questionnaires distributed to students, employees, and business professionals in Coimbatore city. The questionnaire comprised close-ended questions and Likert scale statements measuring demographic factors, usage patterns, satisfaction levels, and challenges.
- **Secondary Data:** Gathered from textbooks, academic journals, research articles, and online publications related to digital payments, e-wallets, and customer satisfaction.

3. Sample Size and Technique

A sample of 100 respondents was selected using the convenience sampling technique from various backgrounds including students, employees, and business professionals in Coimbatore city.

4. Tools for Analysis

Percentage Analysis

5. Limitations

- The sample size of 100 respondents may not fully represent the entire population of Coimbatore city.
- Convenience sampling may introduce selection bias in the data.
- The study focuses on user perception and does not cover technical or system design aspects of digital payment applications.

V. DATA ANALYSIS AND INTERPRETATION

Table 1: Age-wise Classification of Respondents

Age Group	No. of Respondents	Percentage (%)
Below 18	17	14.3
18 – 25	68	68.3
25 – 40	9	9.2
Above 40	6	8.3
Total	100	100

Interpretation: Interpretation: A majority of respondents (68.3%) belong to the 18–25 age group, indicating that young adults are the primary users of digital payment applications. This reflects the high digital literacy and smartphone adoption among youth in Coimbatore city.

Table 2: Awareness of AI Tools Used in Documentation

Gender	No. of Respondents	Percentage (%)
Male	25	25.0
Female	75	75.0
Total	100	100



Interpretation: Female respondents constitute a significant majority (75%) of the sample, demonstrating that women in Coimbatore are actively adopting and using digital payment platforms in their daily lives.

Table 3: Mode of Transaction Preferred by Respondents

Mode of Transaction	No. of Respondents	Percentage (%)
Online Payment Apps	61	50.8
Cash	17	36.7
Card	22	12.5
Total	100	100

Interpretation: The majority of respondents (50.8%) prefer online payment apps as their primary mode of transaction, indicating a significant shift away from traditional cash-based and card-based payments in Coimbatore city.

Table 4: Digital Payment Platforms Used by Respondents

Platform	Always	Sometimes	Never
Google Pay	60	30	10
PhonePe	25	55	20
Paytm	30	40	30
BHIM App	10	40	50
PayZapp	5	35	60

Interpretation: Google Pay is the most widely used platform, with 60% of respondents always using it for transactions. PhonePe and Paytm are moderately used, while BHIM and PayZapp have relatively low adoption rates. This highlights the dominance of Google Pay in the Coimbatore market.

Findings

- Majority (68.3%) of respondents belong to the 18–25 age group, indicating that young adults are the primary users of digital payment applications in Coimbatore city.
- Majority (75%) of respondents are female, reflecting higher participation of women in the adoption of digital payment platforms.
- Majority (74.2%) of respondents are unmarried and 64.2% are graduates, indicating that educated young adults dominate the user base.
- Majority (50.8%) of respondents prefer online payment apps over cash and cards, confirming a significant transition towards digital transactions.
- Majority (50.8%) of respondents hold accounts in private banks, which are generally more proactive in integrating with digital payment platforms.

- Majority (53%) of respondents first learned about digital payment apps through social media, underscoring the influence of digital marketing.
- Google Pay is the most preferred platform, with 60% of respondents always using it, followed by Paytm (30%) and PhonePe (25%).
- Majority (58%) of respondents use digital payment apps 2–3 times per session, reflecting consistent but moderate usage habits.
- 65.2% of respondents agree that digital payment apps save time and money, reflecting their practical utility in daily life.
- 86% of respondents strongly agree that digital payment apps are easy to understand, indicating high usability of current platforms.

Suggestions

- Digital payment app providers should invest in improving network infrastructure and reducing transaction failure rates to enhance the reliability of their platforms.
- App developers should strengthen security protocols including advanced encryption, biometric authentication, and real-time fraud detection to build user trust.
- Awareness programs and digital literacy workshops should be organized, particularly in semi-urban and rural areas of Coimbatore, to promote wider adoption of digital payments.
- User interfaces should be made more intuitive and multilingual to cater to diverse demographic groups including senior citizens and non-English-speaking users.

VI. CONCLUSION

This study titled 'A Study on Customer Satisfaction Towards Digital Payment Applications in Coimbatore City' reveals that digital payment applications have gained strong traction among the urban population of Coimbatore, particularly among young adults aged 18–25. The transition from cash-based transactions to digital payments has been accelerated by government initiatives like Digital India, UPI, and BHIM, combined with the proliferation of affordable smartphones and internet connectivity.

The study finds that a significant majority of respondents are satisfied with digital payment platforms, particularly Google Pay, and appreciate their convenience, ease of use, and time-saving features. However, challenges such as network connectivity issues, data security concerns, and the need for enhanced technical support continue to limit the full realization of the potential of digital payments.

Statistical analysis indicates that demographic factors such as age and gender play a role in shaping user behavior but that barriers to adoption are largely systemic — related to infrastructure, security, and awareness rather than individual characteristics. For Coimbatore city to fully harness the transformative power of digital payments, concerted efforts from app developers, financial



institutions, and government bodies are essential to address these challenges and create a secure, inclusive, and efficient digital payment ecosystem.

REFERENCES

1. Rathore, H. S. (2016). Adoption of Digital Wallet by Consumers. *BVIMSR's Journal of Management Research*, 8(1), 69.
2. Manikandan, S. (2017). An Empirical Study on Consumers Adoption of Mobile Wallet with Special Reference to Chennai City. Vol. 5(5), May 2017.
3. Kavitha, M., & Sampath Kumar, K. (2018). A Study on Digital Payments System with Perspective of Customer's Adoption. Vol. 13, SP, 189–200.
4. Praiseye, T. (2018). A Study on Consumer Preference Towards Mobile Wallet. *IJRAR*, Vol. 5(3), September 2018.
5. Mishra, S., & Swain, K. R. (2018). Mobile Payment System by Merchants in an Indian Context: A Study on Kolkata City. *Globsyn Management Conference 2018*.
6. Singh, G. (2019). A Review of Factors Affecting Digital Payments and Adoption Behaviour for Mobile E-Wallets. *International Journal of Research in Management & Business Studies*, 6(4), 89–96.
7. Kaur, P., et al. (2020). Why People Use and Recommend Mobile Wallets. Volume 56, September 2020.
8. Sathish, M. T., Sermakani, R., & Sudha, G. (2020). A Study on the Customer's Attitude Towards the E-Wallet Payment System. Volume 6, Issue 12, May 2020.
9. Anshari, M., et al. (2021). Factors Influencing Individual in Adopting E-Wallet. *Journal of Financial Services Marketing*, 26(1), 10–23.
10. Ghosh, G. (2021). Adoption of Digital Payment System by Consumer. Volume 9, Issue 2, February 2021.
11. Pal, A., Herath, T., & Rao, H. R. (2020). Is the Convenience Worth the Risk? An Investigation of Mobile Payment Usage. *Information Systems Frontiers*, 1–21.