

## **SERVICE QUALITY AND CUSTOMER PERCEPTION IN HYDERABAD'S DIGITAL PAYMENT LANDSCAPE**

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**ABSTRACT:** Electronic transactions and payments are vital in today's environment. From the time e-transactions were first launched until their demonization, their use has increased dramatically. Following demonization, the digital payment system was implemented in India. To ease the shift to digital payments, the payment system has lately undergone a number of improvements, including the addition of digital wallets, UPI, AEPS, QR codes, and BHIM apps. This study looks at a customer's opinion of digital payments. In order to gain a deeper understanding of customers' perceptions about digital payments, a structured questionnaire was selected for the study. Both primary and secondary data were used for study convenience. Hyderabad respondents supplied the original data that was gathered.

**Key words:** internet, digital, study, payments, Hyderabad, India, and focus.

### **INTRODUCTION**

The Indian government has been putting several plans into action to promote and assist digital payments across the country. As part of the "Digital India" effort, the government hopes to create a "faceless, paperless, cashless" economy that is "digitally empowered." Aadhaar-enabled payment systems (AEPS), digital payment apps, mobile wallets, debit and credit card use, online banking, and mobile banking are a few of these.

Digital payments are those made online or through other digital means without the need for actual currency exchanges. This suggests that in the process of exchanging money, both the payer and the payee employ electronic means.

**Benefits of Online Payments:**

Faster, easier to understand, and more useful  
Economical with low transaction costs  
Discounts, waivers, and cash backs  
Digital record of transactions

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A unified location for paying bills

Assists with managing illicit funds

Payment methods for digital goods in India:

1. Bank cards: Among the most widely used payment methods, cards provide several benefits, such as ease of use and payment security. The main advantage of debit, credit, and prepaid cards is that they may be used to make additional online payments. For example, users can store their card information in digital payment apps or mobile wallets to conduct cashless payments.

2. USSD: This is another type of digital payment technique that can be used to make mobile purchases without requiring the download of an app. These types of payments can be made without a mobile data facility.

3. AEPS: Enhanced as an Aadhaar-enabled payment system, AEPS may be used for cash withdrawals, deposits, and balance inquiries in addition to Aadhaar-to-Aadhaar financial transfers. Every transaction is handled by a banking correspondent based on Aadhaar verification.

4. Mobile Wallets: Users can access a specific type of virtual wallet service known as a mobile wallet by installing an app. The digital or mobile wallet encrypts bank account, debit or credit card, and bank account information to facilitate safe transactions. A mobile wallet can also accept additional money, which can be used to buy products and services.

5. Prepaid cards from banks: Prepaid cards function as a type of payment card that you may load with cash to perform transactions. It's possible that there is no connection between the customer's bank account and the type of card. However, a debit card obtained from a bank is linked to the user's bank account.

6. POS terminals: In the past, the phrase "point of sale" (POS) referred to the terminals that were put in each store and allowed consumers to make purchases using their credit or debit cards. Typically, bank card reading is done with a portable device. Nevertheless, digitization is expanding the reach of POS; it can now be accessible through mobile platforms and web browsers.

7. Online Banking: Online banking is the process of carrying out financial transactions via the internet. This category may contain a wide range of services, such as money transfers, opening new fixed or periodic deposits, closing accounts, etc. Online banking is sometimes known as virtual banking or e-banking. Online banking is usually used to make online fund transfers using NEFT, RTGS, or IMPS.

8. Mobile banking: Mobile banking is the practice of doing financial or banking transactions using a smartphone. Mobile banking options are expanding with the introduction of many mobile wallets, digital payment apps, and other services like the UPI.

9. The Bharat Interface for Money (BHIM) app allows money transfers for UPI users. Transactions can be completed via a VPA, which works in conjunction with UPI. Linking a bank account is made easy for users of the BHIM interface. You can also link multiple bank accounts together. The BHIM app is available to anyone with a functional bank account, debit card, and phone number. Sending money to different bank accounts, virtual addresses, or Aadhaar numbers is possible.

## LITERATURE SURVEY

1.R. Websites that use internet banking services like NEFT, RTGS, and IMPS, in addition to card payments, are advantageous to businesses. Customers who are motivated by card payments, online banking, and payment apps should be compared in future studies. The inquiry might provide bank management suggestions about how to best advertise direct payment channels. Lavanya and Dr. T. Thirumaleswari (2023) focused on how satisfied customers are with a payment application and how they perceive it, which affects whether or not they plan to use it. Transactions using digital payments may be impacted by other factors.

To improve the model, objective measurements of customer behavior might be integrated, given that TAM assumes a good connection between intentions and actual behavior. This study can be repeated with a sample of actual bank customers in order to form samples and generalize the results.

2. Prakash M. (2022) in "A Study on Consumer Perceptions towards Digital Payment," "This study explores the opinions of consumers regarding digital payments. Since e-transfer of money has been available for a few years, the country has benefited greatly from these technological advancements. The government is promoting the development of e-payment systems, which is leading to a wider adoption and comfort level. Made life easier for people by enabling bill payment through the internet.

In keeping with the government initiative "Digital India," Gouransh Kumbhare (2021) conducted a study titled "A Study on Consumers Perception towards Digital Payments in Bhopal City." The study's findings demonstrate how the country's cashless transactions have improved as a result of the introduction of innovation for digital payments, particularly after demonetization. Paper money and electronic cash theft can be prevented with the help of digital payment systems. In addition, the finance minister and the CEO of the National Payments Corporation of India have urged people to use online payment methods more frequently in order to make money-related transactions contactless. This is in line with the government initiative "Digital India."

Lockdown: According to this poll, the digital payment option that respondents use most frequently and find most convenient is Google Pay. As a result, they are aware of developments in the market and advancements in technology.

4. "Examination of service quality of digital payments among working professionals," by Pavanbhav Sharma, (2021), finds that digital payments are becoming a popular way of payment due to their many benefits, which include the ability to complete financial transactions with a few clicks on a smartphone and the elimination of in-person bank visits. It also finds that the variables of service quality, such as security, responsiveness, reliability, and ease of use, had a statistically significant effect on the respondents' degree of satisfaction with the digital payment option they were given.

5. Vikas and Vidhi Gupta (2021) in "A Study on the Preference of Consumer Perception towards Digital Payments of India" This research focuses on how consumers perceive electronic payments. The study's proposed research model shows that three factors—benefits, self-efficacy, and ease of use—have a significant impact on consumers' perceptions of e-payments; these factors are demonstrated by the fact that H1, H3, and H4 are significant at the five percent significance level. Interestingly, consumers' perceptions of security and trust do not significantly change when it comes to payments; this finding is consistent with previous

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studies.

6. In this study titled "A Study on Consumers Perception towards Digital Payments System with special reference to Tiruppur city," Dr. R. Mayilsamy and Mr. Gokula Krishan D. (2020) found that, despite cybercrime and unauthorized access to primary data posing a significant obstacle to the cashless economy's ability to function in India, many people appear to agree with the government that a cashless economy is beneficial in the fight against terrorism, corruption, and money laundering. The adoption of digital payments was found to be relatively unaffected by demographic factors, such as education, suggesting that the consumer's level of education

impacts the acceptance of digital payments. The increase of smart phone users and the presence of the internet in these areas also contributed to the ease of adoption of digital payments. This study, "A study on consumer perceptions towards digital payment modes with special reference to Coimbatore, Tamil Nadu," by M. Priyadharshini (2019), aims to understand how customers perceive digital payments. It was shown that, other from education, demographic characteristics had no discernible effect on the adoption of digital payments. An analysis using an ANOVA computation supported this finding by demonstrating that respondents did not perceive any significant differences based on gender, age, profession, or yearly income. The respondents thought that the respondents' level of education alone accounted for a considerable difference. It implies that the adoption of digital payments is influenced by the level of education attained by the customer. If a person is familiar with the internet and has finished courses beyond high school, they are more likely to choose the digital payment form.

8.D. In a study titled "Consumer Perception towards Digital Payment," Sudhir Babu and Lakshmi Narayanamma (2018) attempted to understand how consumers perceive digital payments, which are an important way to complete a transaction. The study found that the majority of participants thought that people could make purchases more easily with mobile wallets or digital payments, that they improved the quality of their decisions, and that they were generally beneficial. They also agreed that using mobile wallets was beneficial and that people of different ages were using these services. Lastly, they believed that service providers were reliable and that using them was beneficial.

### **RESEARCH DEFICIENCY**

Studies have shown that this new innovation makes it possible for banks and clients to have instant access to information about the tasks and status of their records. The opportunities and challenges Hyderabad has faced since the adoption of digital payment methods are the main focus of this study. In essence, the test aims to provide a deeper understanding of the factors influencing electronic payment systems. Digital payment methods have developed at an incredibly rapid and efficient rate, allowing individuals and businesses to manage their finances in a very astute manner from the comfort of their homes or places of business.

### **PURPOSE OF THE STUDY**

1. To research online payment methods.
2. To ascertain, based on user experience, which application is appropriate.

3. To determine the problems clients are having with online payments.
4. To learn the preferred method of payment or service from the clients.

## **OVERVIEW OF THE STUDY**

Customer satisfaction varies, so research into analysis and monitoring is necessary in order to make informed decisions regarding services, security, flexibility, complexity, and usage. The study aims to determine the level of customer satisfaction with the various services offered by digital payment systems. It also seeks to determine the optimal marketing strategy.

The study's importance and necessity:

Since my project is about managing consumers' perceptions of digital payments, this study is helpful in identifying consumer perceptions and the factors that influence them. It is easier to determine whether customers have a positive or negative perception of digital payments, which makes it the most widely used method of using money. It can be recognized because it communicates with everyone on the planet.

## **AREA OF THE STUDY LIMITS**

1. The study's scope is restricted to Hyderabad and the environs.
2. The study's foundation is Hyderabad customers' thoughts and opinions about digital payments.
3. There are restrictions on the research duration and sample size.
4. Confirming consumer attitudes toward digital payments in relation to the concept of general banking was the primary objective of the survey.
5. As a result, even if Hyderabad is unable to follow in the footsteps of other major banking hubs in the country, this may not be a barrier to achieving the desired outcome.
6. For main data, non-response errors cannot be completely eliminated out.

## **RESEARCH DESIGNATION**

The whole list of people who use digital payment methods is the sample population, and the study's goal is to investigate how Hyderabad's customers perceive these payments through a descriptive research design.

For this analysis, primary data is gathered. The primary data in this case was obtained through a self-administrated survey. For a specific goal or research project, a primary data source is an original source of data that the researcher gathers in the first person. While gathering secondary data is less expensive and time-consuming than gathering primary data, articles, journals, and industry reports provide secondary data.

## **RESULTS**

Most individuals are worried about mobile device security and processing speeds. The most challenging issues that customers face are those related to security and money safety. Users using digital wallets or digital payments find the services provided to be adequate. When users felt that the digital payment application provided better service than before, they were more likely to be happy with it and intend to use it again in the future. A number of factors,

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including customers' awareness of the application, perceptions of it, happiness level with it, and the quality of the service they received, all had an impact on their intention to use a digital payment application for transactions. The fact that digital wallets and digital payments depend on an internet connection for transaction processing is one of the primary reasons for their poor adoption rates. A significant portion of people have used digital payment systems like as cards, UPI, mobile banking, and payments that scan QR codes. The majority of respondents felt that digital payment systems saved them time and energy when traveling because they didn't have to stand in line to pay utility bills or banks. Most participants reported that friends, family, and coworkers encouraged them to utilize the digital payment system.

### RECOMMENDATION

It is recommended that the RBI oversee private payment systems.

The government's top priority should be safeguarding citizens' finances.

By providing discounts and reward points for using digital payment methods, you can also increase their acceptance and appeal.

It is necessary to run marketing and promotion initiatives in order to increase awareness among non-users.

This study was the first attempt to examine consumers' desire to use a digital payment application by combining their awareness, perception, degree of satisfaction, and quality of service with it.

### CONCLUSION

As part of the administration's "Digital India" initiative, the results demonstrate that the introduction of innovation for digital payments has enhanced the country's cashless transactions, especially following demonetization. The study's focus is on how Hyderabad customers view digital payments, and the outcome framework provides us with crucial strategic direction for enabling the country to increase the use of cashless payments.

Customers' perceptions of digital payments are examined in this study. Since the introduction of e-money transfers a few years ago, the country has benefited greatly from technological advancements; the government's encouragement of e-payment system development has led to an increase in the use and comfort level of these systems, making it easier for people to go about their daily lives.

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