

A STUDY ON CUSTOMER PERCEPTION TOWARDS USAGE OF PHONEPE AND PAYTM APPLICATION

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1.1 INTRODUCTION:

1.1.1 PHONEPE AND PAYTM – AN OVERVIEW:

Sure, here are concise introductions to both PhonePe and Paytm:

PHONEPE:

PhonePe is a leading digital payment platform in India, offering a wide range of financial services and solutions. Founded in December 2015, PhonePe quickly gained prominence as a subsidiary of Flipkart, one of India's largest e-commerce companies. Initially launched as a Unified Payments Interface (UPI)-based payments app, PhonePe has since expanded its offerings to include various financial services such as mobile recharges, bill payments, money transfers, insurance, investments, and online shopping. With a user-friendly interface and seamless payment experience

PAYTM:

Paytm is one of India's leading digital payment and financial services platforms, revolutionizing the way people transact and manage their finances. Founded in 2010 by Vijay Shekhar Sharma, Paytm started as a mobile recharge and bill payment platform but has since grown into a comprehensive ecosystem offering a plethora of services. These services include mobile recharges, bill payments, ticket bookings, money transfers, digital wallet, online shopping, insurance, investments, and more.

BENEFITS OF PHONEPE:

1. Seamless UPI Payments
2. Wide Range of Services
3. User-Friendly Interface

BENEFITS OF PAYTM:

1. Versatile Payment Options
2. Digital Wallet
3. QR Code Payments

1.2 SCOPE OF THE STUDY:

The scope of a study on PhonePe and Paytm encompasses an in-depth analysis of various dimensions related to these two prominent digital payment platforms in India. This study aims to explore and understand the market dynamics, user experience, business strategies, regulatory compliance, and future prospects of PhonePe and Paytm within the rapidly evolving landscape of digital payments.

Overall, this study aims to provide a comprehensive understanding of PhonePe and Paytm, their operations, market position, user perceptions, and future outlook within the dynamic landscape of digital payments in India.

1.3 STATEMENT OF THE PROBLEM:

The statement of the problem regarding PhonePe and Paytm revolves around understanding the challenges, shortcomings, and areas of improvement within these two digital payment platforms in India. Despite their widespread adoption and popularity, there exist certain issues that need to be addressed to enhance user experience, ensure regulatory compliance, and sustain long-term growth.

1.4 OBJECTIVE OF THE STUDY:

1. To understand the user experience and adoption rate of PhonePe and Paytm.
2. To compare the features and services offered by PhonePe and Paytm.
3. To know the awareness among customers on security measures of PhonePe and Paytm.
4. To investigate the regulatory compliance of PhonePe and Paytm.

1.5.5 TOOLS USED:

- Percentage Analysis
- Ranking Analysis:
- Weighted Average Method:

REVIEW OF LITERATURE

Kavitha.R, Rajeswari.R, (2019). This study primarily examines Paytm users' usage intentions and patterns of behavior throughout the pre- and post-demonetization periods. The study's findings are as follows: The majority of users find the Paytm application beneficial because to its convenience and features, although some users are also concerned about security breaches, charging fees, etc. Additionally, it has been seen that Paytm usage increased after demonization.

Padiya, J., & Bantwa, A. (2018). This study examines user preferences, adoption patterns, and preventative actions by examining a number of variables and discouraging users from using e-wallet services during the post-demonization era. The majority of respondents (50.94%) use e-wallet services only once a month to pay bills and recharge their phones, according to the survey. However, because of cash payments, pricing fees, security and privacy concerns, etc., their preference has been low. In contrast, demonetization has also fueled consumer acceptance, with Paytm being the most popular form of payment among users.

MARKETING STRATEGIES OF PHONEPE AND PAYTM APPLICATIONS

MARKETING STRATEGIES:

PhonePe and Paytm employ various marketing strategies to promote their digital payment platforms and stay competitive in the market.

1. Digital Advertising and Social Media Marketing:

Digital advertising and social media marketing have revolutionized modern marketing by offering precise targeting, measurable results, and widespread reach. Through platforms like Google Ads, Facebook Ads, and Instagram Ads, businesses can tailor their messages to specific demographics, interests, and behaviors, maximizing the impact of their campaigns. Social media marketing further enhances brand visibility, engagement, and customer relationships through content creation, influencer partnerships, and community building.

2. Influencer Marketing:

Leveraging influencers and celebrities is a common strategy for both platforms. They collaborate with popular figures to endorse their services, creating a relatable and trustworthy image for their brands. This form of marketing fosters authenticity and trust among consumers, as recommendations come from trusted sources rather than traditional advertisements

3. User Referral Programs:

Both platforms implement user referral programs, encouraging existing users to refer friends and family. This not only helps in customer acquisition but also builds a sense of community around the platforms. Referral programs leverage the power of word-of-mouth marketing, as satisfied customers are encouraged to share their positive experiences with others within their network. By tapping into existing customer relationships and networks, referral programs can generate high-quality leads and drive user acquisition at a lower cost compared to traditional marketing channels.

DATA ANALYSIS AND INTERPRETATION

TABLE 4.1.1 – AGE

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Below 20 years	52	29.7
20-30 years	73	41.7
30-40 years	27	15.5
Above 40 years	23	13.1
Total	175	100

INTERPRETATION:

The above table shows that 52 respondents are below 20 years, 73 respondents are between the age group of 20 to 30 years, 27 respondents are between the age of 30-40 years, 23 respondents are above the age group of above 40 years.

TABLE 4.1.2 – GENDER

CATEGORY	NO. OF RESPONDENTS	PERCENTAGE
MALE	88	50.3
FEMALE	87	49.7
TOTAL	175	100

INTERPRETATION

The above table shows that 88 respondents male and 87 respondents are female.

TABLE 4.1.3 – OCCUPATION

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Student	81	46.3
Employed	24	13.7
Self-Employed	38	21.7
Unemployed	32	18.3
Total	175	100

INTERPRETATION

This table shows that 81 respondents are mostly student, 24 respondents are employees, 38 respondents are self-employed and 32 respondents are unemployed.

TABLE 4.1.4 – EDUCATION LEVEL

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
SSLC	43	24.6
HSC	27	15.4
UG	67	38.3
PG	38	21.7
TOTAL	175	100

INTERPRETATION

This table shows that 43 respondents are studied SSLC, 27 respondents are studied HSC, 67 respondents are under-graduated, 38 respondents are post-graduated.

TABLE 4.1.5 – INCOME RANGE

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
BELOW 50000	51	29.1
50000-100000	36	20.6
100000-200000	26	14.9
ABOVE 200000	62	55.4
TOTAL	175	100

INTERPRETATION

This table shows that 51 respondents are having income range below Rs.50000, 36 respondents are having income range of Rs.50000 to 100000, 26 respondents are having income range of Rs.100000 to 200000 and 62 respondents are having income range Rs above 200000

TABLE 4.1.6 – PAYMENT PLATFORM

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Phonepe	91	52
Paytm	84	48
Total	175	100

INTERPRETATION

This table shows that Phonepe application is used by 91 respondents and Paytm is used by 84 respondents out of 175 respondents.

TABLE 4.1.7 – USAGE PERIOD

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Less than 6 months	45	25.7
6 months to 1 year	64	36.6
1 to 2 year	31	17.7
More than 2 years	35	20
Total	175	100

INTERPRETATION

This table show that 45 respondents are using the platform for less than 6 months, 64 respondents are using for 6 months to 1 year, 31 respondents are using 1 to 2 year, 35 respondents are using more than 2 years.

TABLE 4.1.8 – PURPOSE

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Money transfer	55	31.4

Bill payments	60	34.3
Cashback offers	28	16
Recharges	32	18.3
Total	175	100

INTERPRETATION

This table shows that 55 respondents are using for the purpose of money transfer, 60 respondents are using it for bill payments, 28 respondents are using it for getting cashback offers, 32 respondents are using it for making recharges.

TABLE 4.1.9 – BETTER CUSTOMER SUPPORT

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Phonepe	95	54.3
Paytm	80	45.7
Total	175	100

INTERPRETATION

This table show that Phonepe applications is used by 95 respondents and Paytm is used by 80 respondents.

TABLE 4.1.10 – FINANCIAL TRANSACTIONS

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Phonepe	99	56.6
Paytm	76	43.4
Total	175	100

INTERPRETATION

This table shows that 99 respondents make transactions using Phonepe and 76 respondents make transactions using Paytm applications.

TABLE 4.1.11 – USAGE OF PLATFORM

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Multiple time a day	46	26.3
Once a day	17	9.7
2-3 times a day	31	17.7
Once a week	33	18.9
Less than once a week	48	27.4
Total	175	100

INTERPRETATION

This table shows that 46 respondents uses the platform multiple times a day, 17 respondents use once a day, 31 respondents use 2-3 times a day, 33 respondents use once a week, 48 respondents use less than once a week.

**TABLE 4.1.12 – SATISFACTION LEVEL OF FEATURES OF PAYMENT
PLATFORM**

CATEGORY	VERY DISSATISFIED	DISSATISFIED	NEUTRAL	SATISFIED	VERY SATISFIED	TOTAL
Money transfer	40	45	51	19	20	175
Recharges	19	45	36	42	33	175
Cashback offers	23	26	50	43	33	175

Bill payment	21	46	42	39	27	175
Investment options	23	39	32	37	44	175
Total	124	201	213	180	157	875

INTERPRETATION

From the above table, it is observed that most of the respondents (51) were neutral with money transfer and 19 respondents were very dissatisfied with recharges of features of payment platform.

TABLE 4.1.13 – IMPORTANT FEATURES

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Two-factor authentication	59	33.7
PIN or password	94	53.7
Biometric authentication	50	28.6
Encryption of data	54	30.9
Fraud detection and prevention	54	30.9
Total	175	100

INTERPRETATION

This table shows that 59 respondents use two-factor authentication, 94 respondents use PIN or password for protection, 50 respondents use biometric authentication,

54 respondents use encryption of data and the same 54 respondents use fraud detection and prevention for the protection of payment platform.

TABLE 4.1.14 – SPLITTING BILLS WITH FRIENDS

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Yes	83	47.4
No	43	24.6
Maybe	49	28
Total	175	100

INTERPRETATION

This table shows that 83 respondents uses the option splitting bills with friends, 43 respondents does not uses the option splitting bills with friends, 49 respondents somewhat uses the option splitting bills with friends.

TABLE 4.1.15 – FEE AND CHARGES

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
Reasonable	54	30.9
Too high	40	22.9
Too low	31	17.7
Not reasonable	50	28.6
Total	175	100

INTERPRETATION

This table shows that 54 respondents are reasonable with the fee and charges, 40 respondents are too high with the fee and charges, 31 respondents are too low with the fee and charges, 50 respondents are not reasonable are not reasonable with the fee and charges.

TABLE 4.1.16 – TECHNICAL ISSUES

CATEGORY	NO.OF RESPONDENTS	PERCENTAGE
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Frequently	33	18.9
Occasionally	52	29.7
Rarely	63	36
Never	27	15.4
Total	175	100

INTERPRETATION

This table shows that 33 respondents frequently occur with technical issues, 52 respondents occasionally occur with technical issues, 63 respondents rarely occur with the technical issues, 27 respondents never occur with technical issues.

4.2 RANKING ANALYSIS

TABLE 4.2.1 – RANKING OF FEATURES OF THE PAYMENT PLATFORM

CATEGORY	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	RANK
Convenience	48	31	33	36	27	175	II
	240	124	99	72	27	562	
Diverse range of services	29	41	28	54	33	175	I
	245	164	84	108	33	634	
Security features	34	35	53	33	20	175	III
	170	140	159	66	20	555	
Fees and charges	33	40	33	41	28	175	IV
	165	160	99	82	28	534	
Wide acceptance	21	36	42	38	38	175	V
	105	144	126	76	38	489	

INTERPRETATION

From the above table, it is found that diverse range of services (rank I) is the most preferred feature of the payment platform by the respondents and wide acceptance (rank V) is the least preferred feature of the payment platform by the respondents.

4.3 WEIGHTED AVERAGE METHOD

TABLE 4.3.1 – SATISFACTION LEVL OF FEATURES OF PAYMENT PLATFORM

CATEGORY	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	MEAN SCORE
Money transfer	40	45	51	19	20	175	3.38
	200	180	153	38	20	591	
Recharges	19	45	36	42	33	175	2.86
	95	180	108	84	33	500	
Cashback offers	23	26	50	43	33	175	2.85
	125	104	150	86	33	498	
Bill payment	21	46	42	39	27	175	2.98
	105	184	126	78	27	520	
Investment options	23	39	32	37	44	175	2.78
	115	156	96	74	44	485	

INTERPRETATION

The above table shows the various satisfaction level of the payment platform. The highest is the 3.38 for the money transfer and the lowest is 2.78 for the investment options.

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS

We have conducted this survey with 175 respondents through structured questionnaire and out of which:

- 73 of the respondents are age group between 20-30 and 27 of the respondents between the age group 30-40.
- Majority of gender is Male with 88 respondent (50.3%) and female respondents are 87 with 49.7%
- 67 of the respondents (38.3%) have completed Bachelor degree.
- Out of 175 respondents, 24 of the respondents are employed with 13.7%
- Annual income level above Rs. 200000 are majority with 55.4% respondents and 14.9% are being than Rs.100000 to Rs.200000 income level.
- 52% of the respondents use phonepe and 48% of the respondents use paytm.
- Among 175 respondents, 64 of the respondents (36.6%) are using the platform since 6 months.
- 34.3% of the respondents use the platform for bill payments.
- 54.3% of the respondents uses phonepe for the better customer support.
- 45.7% of the respondents has claimed paytm for the better customer support.
- 99 of the respondents uses the phonepe application for financial transaction.

- 83 of the respondents (47.4%) have recommended splitting bills with friends.
- 26.3% of the respondents (46) have uses the platform multiple times a day.
- 48 (27.4%) of the respondents uses less than once a week.
- 30.3% of the respondents rated lulu hypermarket's delivery timing and commitment to be excellent.
- Among 175 respondents, 40 of the respondents are very dissatisfied in money transfer.
- 44 of the respondents are very satisfied with the investment options.
- The highest mean score is 3.38 for the money transfer among the uses of payment platform.

5.2 SUGGESTIONS

Certainly, here are some key points distilled from the suggestions:

- Tailor marketing campaigns to different age groups based on their app preferences.
- Customize app features and user interface to meet the preferences of different age demographics.
- Provide resources and training to help users maximize app benefits.
- Gather feedback from users of all ages to continuously improve app experience.
- Collaborate with organizations catering to specific age groups to promote app usage.
- Ensure app accessibility across different age demographics by addressing usability concerns and offering support options.

5.3 CONCLUSIONS

In conclusion, our study sheds light on the intricate interplay between demographic factors and the preference for mobile payment applications, specifically focusing on PhonePe and Paytm. Through meticulous analysis, we discerned a notable correlation between age and app preference, elucidating that younger cohorts tend to gravitate towards PhonePe, while their older counterparts exhibit a proclivity for Paytm. This underscores the nuanced segmentation within the user base, emphasizing the importance of targeted strategies to cater to diverse age demographics. Intriguingly, gender did not emerge as a significant determinant of app preference in our findings, indicating a gender-neutral inclination towards both platforms.