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A STUDY ON CONSUMER TRUST IN PAYMENT METHOD USING PHONEPE

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ABSTRACT :

In the era of digital transformation, mobile payment platforms have revolutionized the way consumers perform financial transactions. Among these, Phone Pe has emerged as a prominent player in the Indian digital payments ecosystem. This study aims to explore the level of consumer trust in using PhonePe as a payment method. The research investigates key factors influencing trust, including security, ease of use, user experience, transaction speed, and customer support. A structured questionnaire was used to collect data from a sample of active Phone Pe users. The findings reveal that security and reliability are the most significant drivers of trust, while technical glitches and lack of awareness pose challenges. The study concludes that building and maintaining consumer trust is essential for the sustained growth of digital payment platforms. Recommendations are provided for enhancing user trust through improved transparency, education, and technological advancements.

INTRODUCTION

In an era where digital transactions have become integral to daily life, consumer trust in online payment methods has emerged as a cornerstone of the modern economy. The proliferation of e-commerce, digital banking, and online services has revolutionized the way people interact with money, offering unprecedented convenience and accessibility. However, this digital shift has also introduced new challenges and risks, particularly concerning security and privacy, which are critical to fostering consumer confidence. As consumers increasingly rely on online platforms to make purchases, transfer funds, and manage their finances, the importance of secure and reliable payment methods cannot be overstated. Trust in these systems is not only pivotal for individual users but also for the broader digital economy, where a lack of confidence can significantly hinder growth and innovation.

OBJECTIVES OF THE STUDY

- ❖ To identify the key factors that influence consumer trust in online payment methods.
- ❖ To examine the relationship between perceived security, privacy, and trust in online payment methods.
- ❖ To investigate the impact of ease of use and convenience on consumer trust in online payment methods.

STATEMENT OF THE PROBLEM

- ❖ Lack of awareness and understanding about the security measures in Phonepe transactions
- ❖ Concerns over data privacy and potential misuse of personal and financial information.
- ❖ Fear of fraud, scams, and unauthorized transactions affecting consumer confidence.

RESEARCH METHODOLOGY

This study will use a mixed-methods approach combining quantitative surveys and qualitative interviews to assess consumer trust in PhonePe. Data Collection Methods Primary Data:

Online Surveys: Structured questionnaires with Likert scale-based responses to assess consumer trust factors.

In-depth Interviews: Semi-structured interviews with select users to understand their perceptions of security, reliability, and customer support.

SCOPE OF THE STUDY

- ❖ Online payment methods: Credit cards, debit cards, PayPal, digital wallets (e.g., Apple Pay, Google Pay, Phone Pe), and online banking.

- ❖ Sample size: Minimum of 25 survey respondents.
- ❖ Data analysis: Descriptive statistics, inferential statistics, thematic analysis, and content analysis.

LIMITATIONS OF THE STUDY

- ❖ If the study focuses on a small or specific group of users, the findings may not be generalizable to the broader population.
- ❖ If the study participants are concentrated in certain age groups, regions, or economic backgrounds, the results may not accurately reflect the trust levels of all consumers.
- ❖ A one-time study may not capture changes in consumer trust over time, especially with evolving security measures and fraud cases.

REVIEW OF LITERATURE

1.(BALAJI AND Vijayakumar 2020)

Ease of use and security are the most important factor for the adoption of digital payment.

2.Tadse and Nannade (2017)

Collected data from 124 respondents and revealed that major reasons of using Paytm are paying bills and recharge. It was also discovered that payment gateway failure is one of the main problems faced by Paytm users.

3.(S Preetha, V Divya 2020)

Customers Trust on The Security of Online Payment System Using Credit/ Debit Cards with Reference to Banking Customers in Chennai (American International Journal of Research in Humanities Arts and Social Sciences)

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CONCLUSION

The study highlights that consumer trust plays a crucial role in the adoption and continued use of PhonePe as a digital payment method. Factors such as security, ease of use, reliability, and user-friendly interface significantly influence trust levels among users. While most consumers feel confident using PhonePe for daily transactions, concerns related to data privacy and occasional technical issues still persist. Strengthening security measures, increasing transparency, and providing efficient customer support can further enhance user trust. As digital payments become more integrated into everyday life, platforms like PhonePe must continue to innovate and prioritize customer trust to remain competitive and relevant in the fintech landscape.