



A STUDY ON CONSUMER PREFERENCE AND SATISFACTION OF USING DIGITAL PAYMENT AMONG COIMBATORE CITY

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ABSTRACT :

The rapid advancement of technology has significantly transformed the financial landscape, with digital payment systems gaining widespread adoption in urban areas. This study explores consumer preference and satisfaction with digital payment methods in Coimbatore city, aiming to understand the key factors influencing their usage. Using a structured questionnaire, data was collected from a diverse sample of consumers across various age groups, occupations, and income levels. The findings reveal that convenience, speed, and promotional offers are major drivers of preference, while concerns over security and technical issues remain notable challenges. Overall, consumer satisfaction is positively correlated with ease of use and transaction reliability. This study provides valuable insights for digital payment service providers and policymakers to enhance user experience and promote broader adoption in similar urban settings.

INTRODUCTION

In recent years, the digital revolution has significantly reshaped the financial ecosystem of India, especially with the advent of digital payment systems. The Government of India's push towards a "Digital India," coupled with the rapid penetration of smartphones and internet connectivity, has accelerated the adoption of digital payment methods such as Unified Payments Interface (UPI), mobile wallets, internet banking, and QR code-based payments. These methods offer users a faster, more convenient, and often more secure alternative to traditional cash transactions.

Coimbatore, one of Tamil Nadu's major metropolitan cities and a growing industrial hub, has seen a notable shift in consumer behavior towards digital transactions. As businesses and consumers alike increasingly move toward cashless modes of payment, it becomes essential to assess how consumers perceive and experience these services.

This study aims to explore consumer preferences, satisfaction levels, and the key factors influencing the use of digital payments in Coimbatore. It seeks to understand consumer behavior patterns, challenges faced during usage, and the overall impact of digital payment systems on their daily financial activities. The insights from this research can help service providers, financial institutions, and policymakers make informed decisions to enhance the digital payment ecosystem in urban centres like Coimbatore.

STATEMENT OF PROBLEM

The growing reliance on digital payment systems has transformed the way consumers conduct financial transactions in India. While these platforms offer convenience, speed, and ease of access, their adoption and usage vary based on consumer preferences, trust levels, digital literacy, and satisfaction with service quality. Despite Coimbatore being a fast-developing urban centre with increasing digital infrastructure, not all consumers exhibit the same level of enthusiasm or comfort in using digital payment methods.

There is a need to understand whether consumers in Coimbatore are truly satisfied with digital payment services and what factors influence their preferences. Are users adopting these platforms out of necessity or genuine convenience? Do issues like security concerns, technical glitches, or lack of awareness impact user satisfaction? Furthermore, identifying

barriers and drivers behind digital payment usage can help stakeholders improve services and encourage broader adoption.

Hence, this study seeks to examine the consumer preferences and satisfaction levels associated with digital payments in Coimbatore, identifying the gaps between user expectations and actual experiences, and offering insights for improving the overall digital payment landscape in the region.

OBJECTIVE

1. To analyse the level of awareness and usage of various digital payment methods among consumers in Coimbatore city.
2. To identify the key factors influencing consumer preference for digital payment systems.
3. To evaluate the satisfaction level of consumers regarding the features and services of digital payment platforms.
4. To assess the challenges and concerns faced by consumers while using digital payment methods.

SCOPE

This study focuses on analyzing consumer preference and satisfaction with digital payment methods among residents of Coimbatore city. It covers various platforms like UPI, mobile wallets, and internet banking. The study examines factors influencing usage, levels of satisfaction, and common challenges faced by users. It is limited to individual consumers within Coimbatore and does not include business or rural users.

REVIEW OF LITERATURE

1. Chawla, D., & Joshi, H. (2019)

Their study on digital payment adoption in urban India found that convenience, speed, and user-friendly interfaces are key factors influencing consumer preference. They also noted that promotional offers and rewards improve satisfaction levels, while concerns about security affect continued usage.

2. Singh, S., & Rana, R. (2020)

This research highlighted that perceived risk, trust, and digital literacy significantly affect the adoption of digital payment systems. They emphasized the need for improved awareness and strong security features to build user confidence and satisfaction.

3. Kumar, A., & Patra, S. (2021)

Their study focused on mobile wallet usage and found that young professionals and students are the primary users. They observed that cashback offers, transaction speed, and ease of access contribute positively to consumer satisfaction and continued usage.

4. Meenakshi, S. (2022)

In a region-specific study across Tamil Nadu, including Coimbatore, Meenakshi found that urban consumers are rapidly adopting digital payment methods. However, technical glitches, network issues, and lack of proper grievance redressal mechanisms were cited as major sources of dissatisfaction.

5. Ramesh, K., & Divya, P. (2021)

This study examined the satisfaction of digital payment users in tier-II cities. It concluded that while awareness and usage are high among educated consumers, issues like transaction failures and lack of personalized support impact the overall experience. They suggested improved customer service and security measures for higher user retention.

RESEARCH METHODOLOGY

This study adopts a descriptive research design to examine consumer preference and satisfaction in using digital payment systems among residents of Coimbatore city. The research focuses on individuals who actively use digital payment platforms such as UPI, mobile wallets, and internet banking. Data for the study was collected using a structured questionnaire, distributed both online and offline. A convenience sampling method was employed to select a sample size of 150–200 respondents from diverse demographic backgrounds including age, occupation, and income level. Primary data was gathered directly from respondents, while secondary data was obtained from journals, published reports, and credible online sources. The collected data was analyzed using basic statistical tools such as percentages, mean scores, and chi-square tests to identify patterns and relationships between demographic factors and satisfaction levels. The study was conducted over a period of two months in early 2025.

LIMITATION

1. Limited to responses within the Coimbatore region, reducing generalizability.
2. Relies on self-reported data, which may involve bias or inaccuracies.
3. Excludes non-digital users, overlooking barriers to adoption.
4. Time-bound data may not reflect evolving digital payment trends.

ANALYSIS AND INTERPRETATION OF DATA

Table showing the frequent of using e payment

Make your payment	Frequency	Percentage
Once in a daily	38	25
Once in a weekly	50	33
Once in a monthly	33	22
Occasionally	29	20
Total	150	100

INTERPRETATION

The above exhibit indicates the 25% of the respondents are using e-payment daily, 33% of the respondents are using weekly, 22% of the respondents are using monthly and 20% of them using it occasionally.

Exhibit showing the preference of e-payment while making purchase

E-payment in making purchase	frequency	percentage
Yes	79	53
Maybe	36	24
No	35	23
total	150	100

INTERPRETATION

The above exhibit indicates the 53% of the respondents are use e-payment while purchase, 24% of the respondents are maybe and 23% of the respondents did not use e- payment while purchase.

FINDINGS OF THE TOPIC RANK ANALYSIS

Satisfaction	R1	R2	R3	R4	R5	total	Rank
towards e-payment							
Will you consider e-payment to others	3	2	20	49	76	643	1
e-payment are growing &expected to continue	4	6	20	81	39	595	2
People use cash to make purchase	4	5	63	38	40	555	3
Credit/debit card are most preferred payments	3	21	31	60	35	553	4
Mobile apps can help you to classify the purchase for budgeting	56	3	29	48	14	411	5

Interpretation

The above table depict that the level of satisfaction towards e-payment that the highest rank towards consider e-payment to other, second rank towards e-payment are growing &expected to continue, third rank towards people prefer cash to make purchase, fourth rank towards the most preferred payments are credit/debit cards and Last rank towards the mobile apps it is a last preferred way towards e-payment.

SUGGESTION

- **Improve Security Measures:** Banks should use advanced security technologies like 3D Secure and dynamic keyboards to protect customer passwords and prevent hacking.
- **Raise Awareness in Rural Areas:** Banks should actively educate rural populations about the benefits and use of e-banking services.
- **Make E-Banking User-Friendly:** Simplify online inquiries and payment processes to make e-banking easier for all customers.
- **Help Customers Access Accounts:** Provide assistance to customers who are unaware of or have forgotten their user IDs and passwords.
- **Promote E-Banking for Growth:** Encourage the use of e-banking in rural areas to support the development of local industries and businesses.

CONCLUSION

E-payment systems are rapidly evolving, enhancing convenience and playing a vital role in the growth of e-commerce. To ensure security and trust, they rely on advanced cryptographic techniques such as encryption, digital signatures, and authentication protocols. As globalization and banking advancements continue, e-payment adoption is expected to grow even further.