

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/324184626>

Usage of E-Payment and Customer Satisfaction

Article in Indian Journal of Public Health Research and Development · January 2018

DOI: 10.5958/0976-5506.2018.00196.1

CITATIONS

9

READS

3,027

2 authors:



Vinitha .k

SRM Institute of Science and Technology

10 PUBLICATIONS 54 CITATIONS

SEE PROFILE



Vasantha Shanmugam

SAVEETHA ENGINEERING COLLEGE

226 PUBLICATIONS 1,042 CITATIONS

SEE PROFILE

Usage of E-Payment and Customer Satisfaction

K. Vinitha¹, S. Vasantha²

¹Research Scholar, School of Management Studies, Vels University, Chennai, India; ²Professor & Research Supervisor, School of Management Studies, Vels University, Chennai, India

ABSTRACT

Digital revolution has altered the routine life style of people. The power of world wide web and digital payments is having pivotal role in getting connected and making any time any where payments at your fingertips. Even though there are enormous advantages, a technology can be successful only if it is able to attain user satisfaction and there by leads to consumer loyalty. This paper is focussed to analyse the determinants influencing E-payment usage and thereby the factors leading to consumer satisfaction. The factors so revealed includes perceived use, perceived ease of use and actual usage of the system. The findings based on various literature reviews recommends that trust, consumer interaction, service delivery, ensuring security from hackers are the determinants which needs to be considered.

Keywords: Determinants, Digital payments, Security.

INTRODUCTION

Digital revolution has paved the path for E-payment system. This revolution has emerged with e-banking, e-registration, e-shopping, e-payment, e-learning, e-library, etc. This paper focuses on usage of e-payment among youngster's and its customer satisfaction. E-payment system is a payment system in which monetary value is digitally transmitted between two entities. An entity can be a bank, business, government or a consumer (Tan^[21]). In general context enabling net-based technological innovations and e-communication networks can be termed as e-payment (Alireza Chavosh^[5], Anahita Bagherzad Halim, and et.al.). In order to satisfy our needs with an ease of time, comfort and convenience the users have to be tech savvy. Today the situation is transformed from one factor authorisation to two factor authorisations in order to ensure safety and security. The RBI^[19] report have stated their vision statement as to build best payment and settlement system for a digital India through approachable directives, healthy infrastructure, efficient control and consumer attentiveness.

Corresponding Author:

Dr. S. Vasantha
Professor & Research Supervisor,
School of Management Studies,
Vels University
E-mail: vasantha.sms@velsuniv.ac.in

OBJECTIVES

1. To review literature on various channels used for e-payment.
2. To Study various dimensions of customer satisfaction on e-payment.

Channels Used for e-payment: The RBI^[19] classifies the channels of cashless fund transfer or transaction using cards or mobile phones as 'prepaid payment instrument'. The e-payment system comprises of digital wallets, credit card transaction, Net banking, Mobile payment system, and debit card.

Two Storage methods are used for E-payment system

On-line: Here the user does not have possession of virtual cash. He has to do the transaction through the third party which is the user's bank.

Off-line: User are in possession of smartcard or digital wallet which has e-cash in it.

Digital wallets (e-wallets): This is a virtual wallet used to store the details of credit card numbers, e-cash, the identity of the owner and other relevant information such as address, or any other details which are required at the time of check in on e-commerce sites. The Electronic wallets or digital wallets saves the time from repetitive entry of information each time. E-cash can be stored in

these wallets the source of cash can be from credit cards, or through your bank account. The various E-wallet companies in India are paytm, Mobikwik, Oxigen wallet, Citrus Wallet, Jio Money, ItzCash, Freecharge, Axis Bank Lime and so on.^[16]

Credit card transactions: The most common form of payment system is the credit card and debit card payments. Credit card acts as if you are obtaining loan from a bank, the amount you are spending is from the bank. The balance in it have to be settled each within a particular time limit and in case of default interest will be added along with the amount you spend. But anyhow credit cards are not suitable for micro payments (payments smaller than \$ 1) Nuthan^[18].

Electronic cheque: Electronic Cheque performs the similar function of a physical cheque but here the e-cheque is virtual, when compared to physical cheque the e-cheque has more security features it includes verification, public key cryptography, digital signatures and encryption Nuthan^[18].

Smart Card: Smart card is also known as Integrated Circuit Card (ICC) and it is embedded with a microprocessor chip. It was introduced in Europe. This chip can store all relevant information like both personal and financial. This card can be used like credit and debit card and used as even personal identity card for Organizations. This card makes travelling easy. While Travelling abroad it is difficult to take cash, instead by using smart card you can swipe and get the local country currency which is applicable in the particular country. The cash is stored in an encrypted form and it is secured with a password. Smart National Common Mobility Card, helps to buy tickets and make transportation easy.^[6]

Debit card: Debit card can also be used as an ATM card which is a prepaid card. A User opens a bank account where he receives his user id number he can swipe it and use to pay bills and even for online purchases this can be used. Debit card is applicable for all the users having bank account. When the card is swiped through the POS machine it contacts the banking system and checks the pin and confirms whether the transaction should be proceeded or not as the user cannot transact the amount which is more than the amount which he is having in his account.

Net Banking: Timothy ^[22] Net banking refers to the banking enabled through online hence it is also known as online banking, e-banking, virtual banking. Using

net banking one can transfer funds among different accounts, third party or to a credit card. The payment and settlement of bill can also be done using Net Banking. Net Banking can be done through NEFT, RTGS, or IMPS immediate payment service. All the banks have their own websites so that the users can log in and collect the information related to account opening, reports, statements and so on.

Mobile banking: Peter Stalfors, Rasmus Nykvist^[20] Mobile banking can be done using a smartphone. The user can access the bank's website and view his account balances, can do any monetary transactions, can settle bills, air time top-up, and so on. Mobile banking is performed through SMS or Internet. Mobile banking can also be used in E-commerce transactions to settle the vendors. M-banking is also known as personal digital assistance.

Various dimensions of E-payments

Perceived Ease of use: Flavian and Guinaliu^[10] observed that trust level influences the perceived ease of use of a computer system. As the user gets acquainted to the technology the chances of error accumulation diminish which is an important factor in delegating financial services online. Like wise security and privacy policy are also the rudimentary essentials of digital payment system.

Ainscough and Lockett^[12], concluded that customer interaction plays a pivotal role in delivering e-payment users virtuous delivery.

Abrazhevich^[2] stated that Design is yet another determinant in deciding the feat of e-payment service among consumers. In brief content, design, channel image and speed are the significant determinants which lead to perceived ease of use.

Consult^[6] concluded that the skill of the users are significant in terms of perceived ease of use in order to trial novel inventions and assess its advantages easily. He stated that perceived ease of use is a combination of expediency along with internet connectivity, availability of tenable, e-payment functionality and it also persuaded the reachability of banking services. Thus, perceived ease of use acts a significant role in user satisfaction.

Perceived Use: Davis^[8] stated perceived usefulness as a trust that usage of a specific technology would boost job performance. It also has a major effect on intention

to use. Through the application of TAM perceived usefulness acts as one of the key to measure attitude influence to the innovative technology.

Hsin Hsin Chang^[13] found that there is direct influence of perceived usefulness and perceived ease of use in his study. He then analysed the influence of both of these factors towards behavioural intention and concluded that perceived usefulness have dominance over intention to use.

Actual Use: Davis^[8] found that the user's attitude towards a technology and its applications is a vital element to determine if the user makes use of the system or not.

Abrazhevich^[2] confirmed in his study that the consumer's insight of e-payment has a pivotal effect on its actual usage and it is clear that it is depending on the consumer's attitude.

Eastin^[9] observed that feasibility of technology in terms of security, confidence and efficiency will reflect on User's intention to use e-payment. The study also states that erstwhile adoption of Information technology had a significant influence on consumer's usage of e-payment as they have already experienced it before.

AFP Electronic payments survey^[3] conducted in Bethesda US concluded that the finance professionals view the digital payments positively and most of the organizations use these mobile payments to send or receive payments, where as the finance professionals raised the issue that payment standards need to be maintained.

Consumer satisfaction: Hoffman and Novak^[12] proposed that download speed is one among the determinant of user satisfaction.

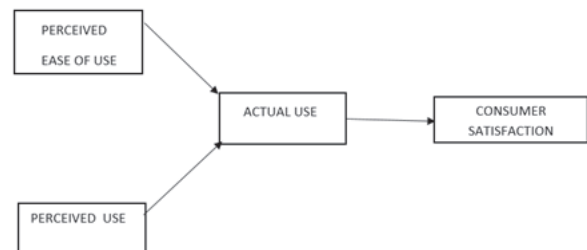
Timothy^[22] proposed that the potential of a user-oriented organization can be raised only through the user satisfaction. Hence the user's needs should be identified and act accordingly to fulfill them thus the customers can be retained.

A.Jafari, F. Bagheri, and N. Hosseinzadeh^[1] suggested that the strategies to retain the customer's and their sustainability, ensuring novel services, has paved the way for the organizations to come out with the strategies not only to retain the existing consumers but also to enthrall novel consumers.

Nikghadam Hojati et al.^[11] observed that there is a significant relationship between using e-banking services and customer satisfaction.

David Wright^[7] analysed credit card payment system, e-check system, digital cash system and found that cryptography was employed to provide security for the consumer's informations but still consumers are reluctant to use the systems as they are scared of the hackers.

Conceptual Framework



DISCUSSION

The findings of this study suggest that technology innovation can be successful only through User's satisfaction so along with retaining the existing consumer's, measures have to be taken to attract new consumer's to use digital payments.

This paper presented a conceptual model of Determinant's of User satisfaction for Digital payment system. The model formulated Perceived Ease of Use (PEOU), Perceived Usefulness (PU) as the determinants for the acceptance of Digital payment system. The actual use of e-payment systems are influenced by attitude of the consumer's, feasibility of the technology, consumer perception towards using the technology and so on. Consumer satisfaction can be gained only through better service, download speed of the websites without any interruptions, strategies should be developed to gain new customers and to retain the existing consumer's.

CONCLUSION

Variables that influence consumer's commitment towards e-payment systems include quality, trust, perceived ease of use, perceived usefulness and satisfaction. The research findings indicate potential customers' satisfaction levels of e-payment usage whether they are ready for the adoption of changed lifestyle and,

if not, what encourages and discourages them from usage of e-payments. Therefore, necessary strategies to implement are proposed, along with approaches they can be used to enhance e-payment environment.

Ethical clearance: Not Applicable

Source of funding: Self

Conflict of Interest: NIL

REFERENCES

1. A. Jafari, F. Bagheri, and N. Hosseinzadeh, "solutions to increase customer satisfaction by fuzzy ANP approach, BSC, and fuzzy TOPSIS (Case Study: Electronic payment company)," the first national conference on the development of monetary management and banking, Tehran, 2013.
2. Abrazhevich, D. (2001), "Electronic payment systems: issues of User acceptance", in Standford-Smith, B. and Chiozza, E.(Eds), E-work and E-commerce, IOS Press, Amsterdam, pp. 354-360.
3. AFP Electronic Payments Survey Association for financial professionals 2016 www.AFP online.org.
4. Ainscough, T. and Lockett, M.(1996), "The internet for the rest of us: marketing on the world wide web", journal of consumer marketing, Vol. 13 No 2, pp. 36-47.
5. Alireza Chavosh, Anahita Bagherzad Halim i, and Shahriar Espahbodi Comparing the Satisfaction with the Banks E-payment Services between Degree Holder and Non-Degree Holder Customers in Penang-Malaysia.
6. Consult, A.N. (2002). China online banking study. Available at <http://estore.chinaonline.com/chinonlbanstu.html>.
7. David Wright Comparative Evaluation of Electronic Payment systems pages 71-85 published online: 25 May 2016.
8. Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS quarterly, 319-340.
9. Eastin MJ 2002, "Diffusion of e-commerce: an analysis of the adoption of four ecommerce activities", Telematics and Informatics, Vol. 19 No. 3, pp. 251-267.
10. Flavian, C. and Guinaliu, M (2006), "Consumer trust, perceived security and pivity policy: three basic elements of loyalty to a website", Industrial Managemen and Data systems, Vol. 106 No. 5, pp. 601-620.
11. H. Poorasad, S. Nikghadam Hojatai, A. Khazayi, and F. Soleimani Roozbehani, "electronic banking and its impact on the factors affecting customer satisfaction," the National Conference of Electronics, Hamedan, 2011.
12. Hoffman, D.L. and Novak, T.P(1996), "Marketing in hypermedia computer mediated environments: conceptual foundations", Journal of Marketing, Vol.60 No. 3, pp. 50-68.
13. Hsin Hsin Chang An Empirical Investigation of Internet Banking in Taiwan Global Journal Of Business Research Volume 4 Number 2 2010.
14. <http://economictimes.indiatimes.com/wealth/spend/a-look-at-various-cashless-options>
15. <http://www.smartcardindia.in>
16. Junadi, Sfenriantob A Model of Factors Influencing Consumer's Intention To Use E-Payment System in Indonesia Available online at www.sciencedirect.com Procedia Computer Science 59 (2015) 214 – 220
17. Karamjeet Kaur¹, Dr. Ashutosh Pathak E-Payment System on E-Commerce in India Int. Journal of Engineering Research and Applications www.ijera.com ISSN : 2248-9622, Vol. 5, Issue 2, (Part -1) February 2015, pp.79-87 .
18. Nuthan K Rashmi P.C An E-payment System: Literature Review E First International Conference on Recent Advances in Science & Engineering -2014 (ISRASE-2014)
19. Payment Systems in India – RBI report
20. Peter Stalfors 850107-5694 Rasmus Nykvist Consumer Acceptance of Mobile payment Services An Empirical Study of factors Explaining Swedish Consumers Intention to use Mobile payment Services 2011.
21. Tan, M. (2004). E-payment: The digital exchange. Singapore: Singapore University Press
22. Timothy, A. T. (2012), Electronic Banking Services and Customer Satisfaction in the Nigerian Banking Industry International Journal of Business and Management Tomorrow 2(3) 1 – 8.