

A Study on Customer Satisfaction Using UPI Apps in Chennai

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Abstract

Unified Payments Interface (UPI) has transformed the digital payment ecosystem in India by enabling instant, secure, and convenient financial transactions through mobile applications such as Google Pay, PhonePe, Paytm, and BHIM. This study analyzes customer satisfaction towards UPI-based digital payment applications among users in Chennai. Primary data were collected from 120 respondents through a structured questionnaire and analyzed using percentage analysis. Findings indicate a high level of awareness and overall satisfaction. Transaction speed, ease of use, 24/7 availability, and security are key satisfaction drivers, while network problems remain the primary concern.

Keywords: Customer Satisfaction, UPI Applications, Digital Payments, Service Quality, Chennai

Introduction

India's financial ecosystem has undergone a significant transformation with the introduction of the Unified Payments Interface (UPI), developed by the National Payments Corporation of India (NPCI). UPI enables instant fund transfers between bank accounts through mobile devices, making transactions faster, easier, and more secure. Applications such as Google Pay, PhonePe, Paytm, and BHIM are widely used for money transfers, bill payments, recharges, and merchant payments. The rapid growth of smartphones and internet connectivity has further accelerated adoption of these platforms. Since customer satisfaction plays a crucial role in continued UPI usage, this study examines satisfaction levels among users in Chennai.

Review of Literature

Eswaran (2019) conducted a study on “customer perception and demographic factors

influencing digital payment adoption”. The study used percentage analysis and ANOVA techniques and found that digital payment systems improved the ease of money transfer, especially in rural areas.

Liu and Tai (2016) examined the “factors influencing consumers intention to use mobile payment services”. The study collected data from 604 respondents and concluded that trust and safety indirectly influence the intention to use mobile payment systems, particularly among younger users.

Manikandan and Mary Jayakodi (2017) conducted an empirical study on the “adoption of mobile wallets in Chennai”. The research used ANOVA for analysis and concluded that convenience, brand loyalty, and ease of shopping play an important role in the adoption of mobile wallets.

Suma Vally and Hema Divya (2018) studied “consumer adoption of digital payment systems in India using the Chi-square method”. The findings suggested that awareness and technological security measures are essential for increasing the adoption of digital payment services.

Objectives of the Study

- To identify the various types of UPI services.
- To identify the level of customer satisfaction towards UPI.
- To know consumer awareness and perception towards UPI.
- To study the factors influencing customer satisfaction using UPI apps.

Statement of the Problem

Despite the widespread adoption of UPI-based applications, users continue to face challenges such as network failures, transaction delays, security concerns, and authentication errors. The level of satisfaction varies across demographic groups, and there is limited region-specific research on UPI user satisfaction in Chennai. This gap makes it difficult for service providers and policymakers to make informed improvements, and therefore this study is undertaken to evaluate customer satisfaction towards UPI applications in Chennai.

Research Design

This study adopts a descriptive research design to analyze customer satisfaction towards UPI-based digital payment applications in Chennai. Primary data were collected through a structured questionnaire of 25 questions distributed online via Google Forms from 120

respondents. Secondary data were sourced from books, journals, and relevant websites. Convenience sampling was adopted and data were analyzed using percentage analysis presented through frequency tables.

Data Analysis and Interpretation

Table 1: Gender of the Respondents

Response	Frequency	Percentage (%)
Male	78	65.0
Female	42	35.0
Total	120	100%

Source: Primary Data

Out of 120 respondents, 65% are male and 35% are female, indicating that male users dominate the sample population of UPI users in Chennai.

Table 2: Age of the Respondents

Response	Frequency	Percentage (%)
18–25	72	60.0
26–35	16	13.33
36–45	19	15.83
46 & Above	13	10.83
Total	120	100%

Source: Primary Data

The majority of respondents (60%) belong to the 18–25 age group, while 10.83% belong to the 46 & above group, indicating that UPI is predominantly used by younger users.

Table 3: Occupation of the Respondents

Response	Frequency	Percentage (%)
Student	51	42.5
Private Employee	38	31.67
Others	21	17.5
Business	6	5.0
Government Employee	4	3.33
Total	120	100%

Source: Primary Data

Students form the largest group (42.5%) of respondents, followed by private employees

(31.67%), while government employees are the minority (3.33%), reflecting that UPI is most actively used by students and working professionals.

Table 4: Awareness of UPI Services

Response	Frequency	Percentage (%)
Yes	112	93.33
No	4	3.33
Maybe	4	3.33
Total	120	100%

Source: Primary Data

A very high majority (93.33%) of respondents are aware of UPI services, indicating strong consumer awareness of digital payment platforms in Chennai. This directly reflects Objective 3 on consumer awareness towards UPI.

Table 5: Purpose of Using UPI

Purpose	Frequency	Percentage (%)
Money Transfer	59	49.2
Recharges	32	26.7
Merchant Payments	30	25.0
Bill Payment	27	22.5
Total Respondents	120	—

Source: Primary Data

Money transfer (49.2%) is the most widely used UPI service, followed by recharges (26.7%) and merchant payments (25%), identifying the various types of UPI services as per Objective 1. Multiple responses were allowed.

Table 6: Level of Satisfaction towards UPI Services

Response	Frequency	Percentage (%)
Highly Satisfied	65	54.2
Satisfied	52	43.3
Dissatisfied	3	2.5
Highly Dissatisfied	0	0
Total	120	100%

Source: Primary Data

A combined 97.5% of respondents are satisfied or highly satisfied with core UPI services such as recharges, bill payments, and money transfer, reflecting a high level of customer satisfaction.

Table 7: Problems Faced While Using UPI

Problem	Frequency	Percentage (%)
Network Problems	76	63.3
Safety & Security Issues	31	25.8
Pending Verification	31	25.8
Authentication Issues	16	13.3
Others	9	7.5
Total Respondents	120	—

Source: Primary Data

Network problems are the most frequently reported issue (63.3%), followed by safety & security concerns and pending verification (25.8% each), identifying the key challenges that influence customer satisfaction as per Objective 4. Multiple responses were allowed.

Table 8: Consumer Perception towards Secure Transactions

Response	Frequency	Percentage (%)
Strongly Agree	43	35.83
Agree	52	43.33
Neutral	20	16.67
Disagree	5	4.17
Strongly Disagree	0	0
Total	120	100%

Source: Primary Data

A combined 79.16% of respondents agree or strongly agree that UPI provides secure transactions, reflecting strong consumer perception of trust and safety as per Objective 3.

Table 9: Overall Satisfaction with UPI Payment Services

Response	Frequency	Percentage (%)
Agree	52	43.33
Strongly Agree	49	40.83
Neutral	17	14.17
Disagree	1	0.83
Strongly Disagree	1	0.83
Total	120	100%

Source: Primary Data

A combined 84.16% of respondents agree or strongly agree with their overall satisfaction towards UPI services, confirming a high level of customer satisfaction as per Objective 2.

Findings, Suggestions and Conclusion

Summary of Findings

1. Based on the analysis of 120 respondents, the following key findings were identified:
2. The majority of respondents (65%) are male and 60% belong to the 18–25 age group, indicating that UPI is predominantly used by young males.
3. Students form the largest occupational group (42.5%), followed by private employees (31.67%).
4. A very high 93.33% of respondents are aware of UPI services, with 73.33% having used it for more than 2 years.
5. Money transfer (49.2%) is the most commonly used UPI service, followed by recharges and merchant payments.
6. A combined 97.5% are satisfied or highly satisfied with core UPI services.
7. Network problems (63.3%) are the most frequently reported issue, followed by security concerns and pending verification (25.8% each).
8. A combined 79.16% perceive UPI as providing secure transactions, reflecting strong user trust.
9. A combined 84.16% are overall satisfied with UPI payment services.
10. Google Pay is the most preferred UPI application (65.83%), followed by PhonePe (12.5%) and Paytm (10%).
11. Friends and relatives (43.33%) are the primary source of UPI awareness, highlighting the role of word-of-mouth.

Suggestions

- Network stability should be improved to reduce transaction failures and ensure seamless payment experiences.
- Security features including multi-factor authentication and real-time fraud detection should be strengthened.
- Digital literacy programs should be conducted to educate users on safe and effective UPI usage.
- Attractive cashback and reward schemes should be introduced to retain existing users.
- Customer support services should be improved to ensure timely resolution of complaints and refund issues.

Conclusion

This study examined customer satisfaction towards UPI-based digital payment applications among users in Chennai. The demographic profile reveals that UPI is predominantly used by young male students and working professionals. Money transfer is the most widely used UPI service and Google Pay the most preferred application. Overall satisfaction levels are high, driven by ease of use, transaction speed, 24/7 availability, and security. Consumer awareness is very high, with word-of-mouth being the primary channel, and users broadly perceive UPI as secure and convenient. Network problems remain the dominant challenge. Continuous improvements in network reliability, security, and customer support are essential to sustain long-term growth and user trust in UPI platforms.

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Author Biography



Hemkumar S is an SAP S/4HANA FICO Certified finance professional with a strong academic foundation and a passion for technology-driven financial management. He has completed his Bachelor of Commerce (General) from Hindustan College of Arts & Science, Chennai, and is currently pursuing his Master of Commerce (FinTech) at Hindustan Institute of Technology and Science, Chennai, with an outstanding CGPA of 9.52. He has gained hands-on internship experience in finance roles at Space Zone India Pvt. Ltd. and Team Energy Electric Venture Pvt. Ltd. (TEEV), Chennai, where he worked on Accounts Payable, Accounts Receivable, Bank Reconciliation, GST compliance, and financial reporting. He is proficient in Advanced Excel, SAP S/4HANA FICO, Tally, Python (Basic), and SPSS. His research contributions include a paper publication on “Customer Satisfaction of using UPI Applications” and a research publication titled “From Banks to Embedded Finance.” He has also earned certifications in Financial Modelling, Digital Marketing Strategy (BHU), and Advances in Strategic HRM (IIT Bombay). With a keen interest in FinTech, ERP systems, and financial analytics, he aspires to build a career in SAP FICO and finance operations. He is a dedicated, detail-oriented, and growth-driven professional eager to contribute to the evolving landscape of financial technology.



Dr. K. Sridevi is currently serving as an Assistant Professor(SG) in the Department of Commerce at Hindustan Institute of Science and Technology(Deemed to be University) Padur, Chennai. She holds M.Com, M.Phil., MBA., PGDCA, NET and Ph.D. degrees, with her research specialization in Marketing and HR. All her teaching experience has been acquired after qualifying UGC-NET in Commerce with 20 years of teaching experience, she has actively contributed to academic excellence through effective teaching and continuous professional development. She has participated in numerous Faculty Development Programmes, seminars, conferences, and workshops. She has published 25 research papers in reputed journals and edited books, reflecting her strong research orientation. She is a recognized Research Supervisor of Hindustan Institute of Science and Technology (Deemed to be University) and She has served as an NSS Programme Officer and Coordinator of various clubs like YRC, ED cell and placement Co-ordinator. Her contributions have been acknowledged with “GMRAF AWARD FOR THE BEST HEAD OF THE DEPARTMENT “BY GLOBAL MULTIDISCIPLINARY RESEARCH AND ACADEMIC FOUNDATION and BEST SENIOR FACULTY AWARD” SIFRE INTERNATIONAL AWARDS FOR EXCELLENCE IN EDUCATION. She served as a member of an Editorial Advisory Board in International Journal of Business and Economics Research (IJBER). She continues to contribute actively to teaching, research supervision, and knowledge dissemination through publications and academic engagements.