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A STUDY ON DIGITAL PAYMENT ADOPTION AND PERFORMANCE AT ICICI BANK HYDERABAD

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ABSTRACT

The rapid growth of digital technologies has significantly transformed the banking sector, leading to increased adoption of digital payment systems across India. This study focuses on the adoption and performance of digital payment services at ICICI Bank in Hyderabad. The primary objective of the study is to examine customer awareness, usage patterns, satisfaction levels, and the overall effectiveness of digital payment platforms offered by the bank. The research analyzes various digital payment modes such as Unified Payments Interface (UPI), mobile banking, internet banking, debit and credit card transactions, and digital wallets. The study is based on both primary and secondary data. Primary data were collected through a structured questionnaire administered to customers of ICICI Bank in Hyderabad, while secondary data were gathered from bank reports, journals, websites, and published literature.

Key Words: Digital Payments, ICICI Bank, Digital Banking, UPI

INTRODUCTION

The banking industry has undergone a significant transformation with the emergence of digital technologies and internet-based financial services. In recent years, digital payments have become an integral part of the financial ecosystem, enabling customers to perform transactions quickly, securely, and conveniently without visiting bank branches. The Government of India, through initiatives such as Digital India, Unified Payments Interface (UPI), and the promotion of a cashless economy, has accelerated the adoption of digital payment systems across the country.Digital payment methods include mobile banking, internet banking, UPI transactions, debit and credit card payments, QR code payments, and digital wallets. These technologies have revolutionized the way individuals and businesses conduct financial transactions by reducing transaction time, enhancing transparency, and improving accessibility to banking services. The increasing penetration of smartphones, affordable internet connectivity, and technological advancements have further contributed to the rapid growth of digital payments in India.

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Among the leading private sector banks, ICICI Bank has played a crucial role in promoting digital banking and payment solutions. The bank offers a wide range of digital services, including mobile banking applications, internet banking facilities, contactless payments, UPI-based transactions, and innovative digital financial products. These services are designed to improve customer convenience and enhance overall banking efficiency.

LITERATURE REVIEW

1. Sharma and Gupta (2020) Sharma and Gupta examined the growth of digital payment systems in India and their impact on banking services. The study found that increasing smartphone usage and internet penetration significantly influenced customer adoption of digital transactions. The researchers concluded that convenience, speed, and accessibility were the primary factors driving digital payment acceptance among bank customers.

2. Reddy and Kumar (2020) Reddy and Kumar analyzed customer perception toward mobile banking services in Indian commercial banks. The study revealed that security, trust, and ease of use played a crucial role in determining customer satisfaction. The authors emphasized the need for banks to strengthen cybersecurity measures to improve customer confidence in digital platforms.

3. Patel and Shah (2021) Patel and Shah studied the effectiveness of Unified Payments Interface (UPI) in promoting cashless transactions. Their findings showed a substantial increase in digital payment adoption due to the simplicity and instant nature of UPI-based transactions. The study highlighted that UPI transformed the digital payment ecosystem in India.

4. Singh and Verma (2021) Singh and Verma investigated factors affecting customer adoption of digital banking services. The research identified perceived usefulness, technological awareness, and service quality as major determinants of digital payment usage. The authors concluded that customer education programs could enhance adoption rates.

5. Kumar and Rao (2021) Kumar and Rao examined the impact of digital banking services on customer satisfaction in private sector banks. The study found that digital payment facilities reduced transaction time and improved banking convenience. Customers expressed higher satisfaction levels when digital platforms were user-friendly and reliable.

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NEED OF THE STUDY

The purpose of this study is to understand how customers adopt and utilize digital payment services offered by ICICI Bank and to evaluate the effectiveness of these services in meeting customer needs. The study aims to assess customer awareness, satisfaction, and experiences related to digital transactions.

As digital payments continue to play a vital role in the banking sector, it is important to identify the factors that encourage or discourage customers from using digital payment platforms. The study seeks to evaluate the benefits of digital payments in terms of convenience, speed, security, and accessibility while also examining the challenges faced by users.

SCOPE OF THE STUDY

The study focuses on the adoption and performance of digital payment services provided by ICICI Bank in Hyderabad. It examines various digital payment channels, including mobile banking, internet banking, UPI transactions, debit and credit card payments, QR code payments, and other electronic payment methods offered by the bank.

The research covers customer awareness, frequency of usage, satisfaction levels, perceived benefits, and challenges associated with digital payment systems. The study is limited to customers of ICICI Bank located in Hyderabad and is based on information collected through questionnaires and secondary sources.

The findings of the study will help understand customer behavior toward digital payments and provide recommendations for enhancing digital banking services. The scope is confined to digital payment

OBJECTIVES OF THE STUDY

1. To examine the level of customer awareness regarding digital payment services offered by ICICI Bank.
2. To analyze customer usage patterns of various digital payment methods.
3. To evaluate customer satisfaction with digital payment services.
4. To identify the factors influencing the adoption of digital payment systems.
5. To assess the impact of digital payments on banking efficiency and customer convenience.

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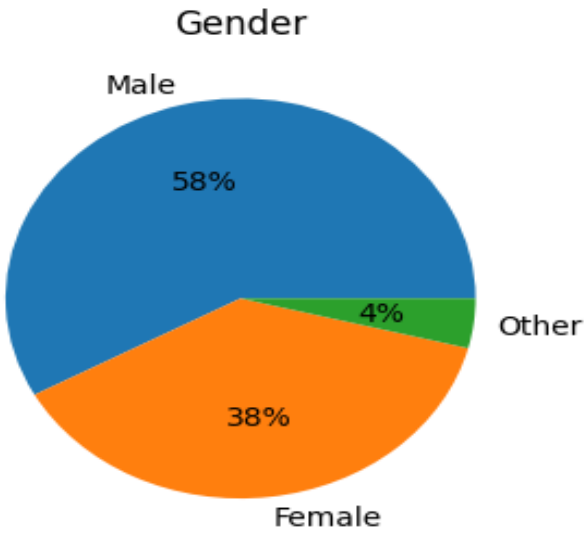
LIMITATIONS OF THE STUDY

1. The study is restricted to ICICI Bank customers in Hyderabad.
2. The sample size is limited to 100 respondents.
3. Responses are based on customer perceptions and may involve personal bias.
4. Time and resource constraints may affect the depth of analysis.
5. The findings cannot be generalized to all banks or regions without further research.

DATA ANALYSIS AND INTERPRETATION

Pie Chart of Gender

Category	Respondents	Percentage
Male	58	58
Female	38	38
Other	4	4



Interpretation: The chart shows the percentage distribution of respondents. The leading category represents the dominant customer response, indicating prevailing behavior and preferences regarding digital payment services at ICICI Bank.

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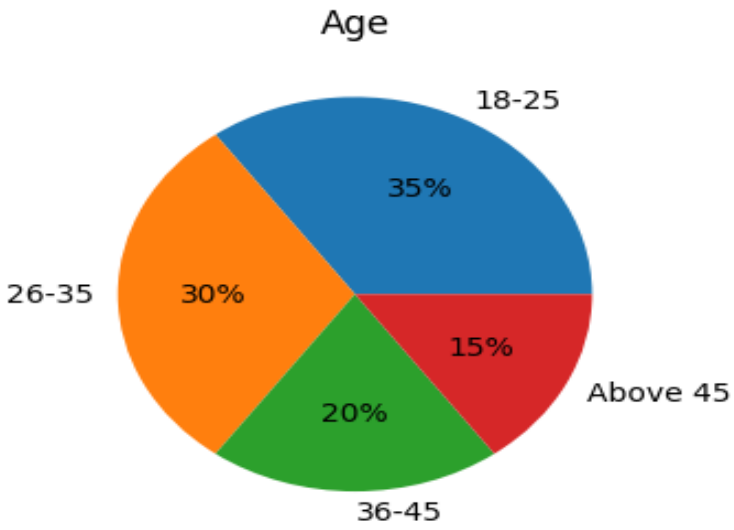
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Pie Chart of Age

Category	Respondents	Percentage
18-25	35	35
26-35	30	30
36-45	20	20
Above 45	15	15



Interpretation: The chart shows the percentage distribution of respondents. The leading category represents the dominant customer response, indicating prevailing behavior and preferences regarding digital payment services at ICICI Bank.

Pie Chart of Education

Category	Respondents	Percentage
Intermediate	20	20
Graduate	40	40
Postgraduate	30	30
Others	10	10

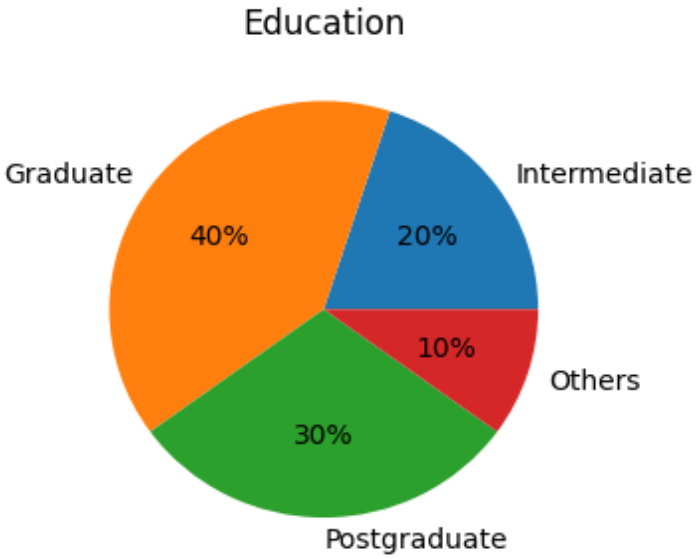
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Interpretation: The chart shows the percentage distribution of respondents. The leading category represents the dominant customer response, indicating prevailing behavior and preferences regarding digital payment services at ICICI Bank.

Pie Chart of Occupation

Category	Respondents	Percentage
Student	25	25
Employee	40	40
Business	20	20
Professional	15	15

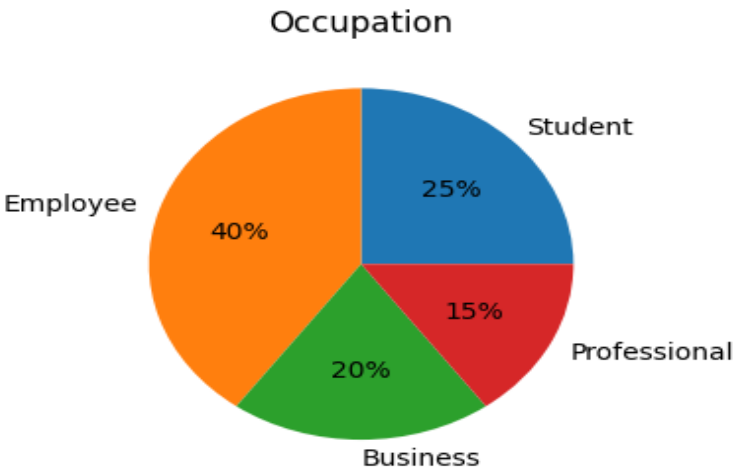
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Interpretation: The chart shows the percentage distribution of respondents. The leading category represents the dominant customer response, indicating prevailing behavior and preferences regarding digital payment services at ICICI Bank.

Pie Chart of Monthly Income

Category	Respondents	Percentage
<25000	25	25
25001-50000	35	35
50001-75000	25	25
>75000	15	15

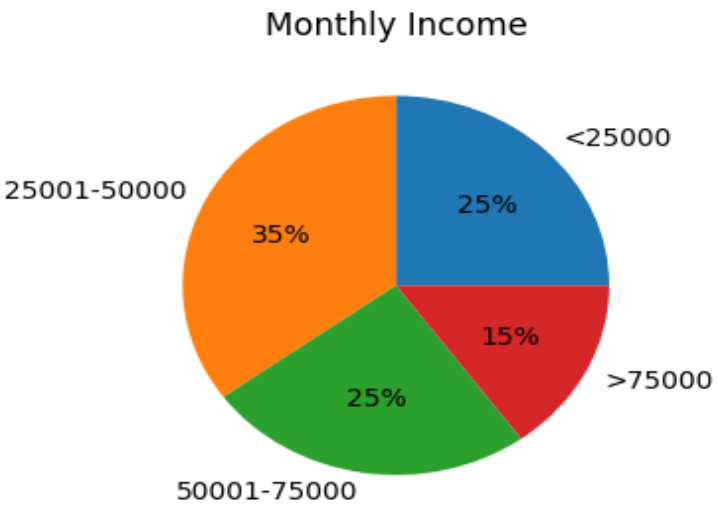
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Interpretation: The chart shows the percentage distribution of respondents. The leading category represents the dominant customer response, indicating prevailing behavior and preferences regarding digital payment services at ICICI

SUMMARY OF FINDINGS

1. The majority of respondents (58%) are male, while 38% are female and 4% belong to other categories.
2. Most respondents belong to the age group of 18–25 years, indicating that younger customers are actively using digital payment services.
3. A significant proportion of respondents are graduates and postgraduates, reflecting a higher level of educational attainment among digital payment users.
4. Employees and business professionals constitute the majority of digital payment users.
5. Most respondents fall within the monthly income range of ₹25,001–₹50,000.
6. A large majority of respondents are aware of digital payment services offered by ICICI Bank.
7. Most customers use digital payment services on a daily basis.

SUGGESTIONS

1. Strengthen Cybersecurity Measures ICICI Bank should continuously upgrade its cybersecurity infrastructure to protect customers from fraud, phishing attacks, and unauthorized transactions.

2. Enhance Customer Awareness Programs The bank should conduct awareness campaigns and educational programs to improve customer understanding of digital payment services and security practices.

3. Improve User Interface Design Digital banking applications should be made more user-friendly to ensure

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easy navigation and accessibility for customers of all age groups.

4. Expand Digital Literacy Initiatives Special training and support programs should be introduced for elderly customers and individuals with limited technological knowledge.

5. Improve Customer Support Services Dedicated digital banking support teams should be available to resolve customer issues promptly and effectively.

6. Promote Advanced Security Features The bank should encourage customers to utilize biometric authentication, two-factor authentication, and secure login mechanisms.

7. Ensure System Reliability Regular maintenance and technological upgrades should be implemented to minimize system downtime and transaction failures.

CONCLUSION

The study titled “Digital Payment Adoption and Performance at ICICI Bank Hyderabad” examined customer awareness, adoption behavior, satisfaction levels, and the effectiveness of digital payment services. The findings reveal that digital payment systems have become an integral part of customers' daily financial activities due to their convenience, speed, accessibility, and efficiency.

The study found that awareness, security, trust, ease of use, and service quality are the primary factors influencing digital payment adoption. Customers generally express a high level of satisfaction with ICICI Bank’s digital banking and payment services. The increasing use of UPI, mobile banking, internet banking, and card-based transactions reflects the growing a cceptance of cashless payment methods.

The hypothesis testing results demonstrate that education, income, security perception, and ease of use significantly influence digital payment adoption and customer satisfaction. The study also highlights that enhanced security measures and user-friendly platforms are essential for maintaining customer confidence and encouraging continued usage.

Overall, digital payment services have positively contributed to improved customer experience, operational efficiency, and banking performance. As technology continues to evolve, ICICI Bank has significant opportunities to strengthen its digital ecosystem through innovation, customer education, and enhanced security. The bank's continued focus on digital transformation will support sustainable growth and contribute to the advancement of India's cashless economy

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