

CONVENIENCE AS A DRIVER OF MOBILE PAYMENT ADOPTION: AN INVESTIGATION

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Abstract : Convenience, in general, means the quality of being easy to use, access, or obtain, mainly saving time and effort. Convenience is a key consideration in the adoption and take-up of mobile payments because in today's world everyone enjoys hassle free tasks with minimal efforts. So the same is the case with the making of payments while purchasing. This paper investigates the importance of convenience in mobile payment systems in relation to its ease of use, speed and flexibility while uncovering its impact on customer satisfaction, loyalty, and retention. The results highlight the significance of convenience in driving the adoption and use of digital payment systems, and provide insights for businesses and payment service providers seeking to improve the convenience of their mobile payment systems. The businesses will be benefited through improved customer experience, increased sales, competitive advantage and the payment service providers will be benefitted by increased adoption, enhanced customer engagement and improved product development. Overall it will help in the increase in efficiency, reduction in costs and data-driven decision making by both businesses as well as payment service providers.

Keywords : Mobile payments, Convenience, User adoption, Customer contentment, Customer commitment, User-friendliness, Mobile wallets, Client upkeep.

1.0 Introduction

A platform enabling users to conduct financial transactions with the help of mobile phones is termed as mobile payment system. Mobile payments system enables users to pay bills, transfer money, pay for buying goods or rendering services, store payment information securely in mobile wallets including Apple Pay, Google Pay, Phone Pe. Convenience plays an important role in today's commerce world, as the customers want to be able to shop, pay, and receive goods and services easily and in less time. The various forms of convenience includes:-

1. Easy online shopping: Customers want to do shopping sitting at their homes, offices etc. with just a click on the screens.
2. Fast and flexible payment options: Customers expect that a variety of online payment options must be available so that they can use the method of their choice and convenience.
3. Streamlined checkout processes: Customers expect a simple and efficient manner, minimizing the steps and information required to complete an online purchase.
4. Flexible delivery options: Customers need choices about how and when they receive their purchase including in-store pick up, delivery at home or office, scheduled delivery etc.

1.1 Benefits of Convenience:

1. Increased customer satisfaction: Customers are more likely to feel satisfied when they have a convenient shopping experience saving their time and efforts.
2. Improved customer loyalty: Satisfied customers generally return to those businesses which have met their expectations, bringing loyalty among customers.
3. Increased sales: When the customers are satisfied and loyal, automatically one can see an increase in sales.

1.2 Examples of Convenient Commerce

1. One-click ordering: With minimum hassle, one can easily make quick purchases like Amazon's one-click ordering feature allows the same.
2. Mobile payments: Without the need for cash or cards, mobile payment systems enable customers to make payments in a convenient and safe manner using Apple Pay, Google Pay.
3. Same-day delivery: Some platforms like Amazon and Walmart offer same-day delivery options which has also driven convenient online shopping.

The expansion of cashless payment platforms has transformed the transaction method by providing easy, quick,

secure and efficient ways to conduct transactions. The customers today expect less time and effort in everything making convenience a vital factor fostering the implementation of mobile payment solutions.

2.0 Literature Review

Various studies have examined the driving forces of adopting mobile payment systems. A research conducted by Mallat (2007) explores the attitude of customers towards digital transactions. The findings show that perceived benefits significantly influenced payment adoption by customers including independence of time and location, ease of remote payments, avoidance of queues etc. It is to be noted that the process of adoption was dynamic and frequently situational, driven by factors like urgency or the absence of alternative methods to pay. Complexity, security risks and premium pricing are the main barriers. The study indicates that in order to gain wider acceptance, digital payment services must address both contextual relevance as well as practical usability. This is in accordance with the purpose of the present investigation to understand the importance of convenience and trust in using digital payments. Another study by Sharma and Turan (2011) examines how this has occurred from cash-based to digital payments. The trends in Indian electronic payments and paper based transactions have been assessed and then a comparison has been made. The results show that in 2003-04, most people (70.33%) used paper-based payments for transactions. Whereas in 2004-05, this number dropped sharply to 48.94%. The number of electronic payments has risen to 51.06% of the market, which is up from 29.67% the previous year. A significant shift can be observed towards digital transactions. The analysis carried out by Groß et al. (2018) shows how customers make a decision to use proximity mobile payment systems in physical retail environments. Using a value-based approach, the study examines that various benefits like convenience, enjoyment and social status are the strong driver of adopting digital payments. Privacy and financial risks are the barriers in the adoption. Further examination interprets the way in which customers balance these benefits as well as risks. A special highlight has also been made towards the exploration of spillover effects which shows that the customers who already use mobile phones to search various information while in the store are likewise more prone to implement proximity transactions through mobile devices. As found in the research undertaken by Kim et al. (2010), a model has been empirically tested to understand the behaviour and choices of customers in adopting mobile payments. This analysis extends the Technology Acceptance Model (TAM) by proper integration of user-centric factors with the features of mobile payments which are - flexibility, availability, competitive advantage and user-friendliness. The results of the study shows that if the customers find mobile payments simple and beneficial they will be more likely to adopt them. Early adopters are more comfortable with technology, driven by ease of use while late adopters often want to see more benefits before adopting as they are sensitive to benefits like reachability and convenience. Another study by Hayashi (2012) multiple determinants that impact customer's uptake of digital payment solutions by evaluating the perceived cost and benefits of this innovative modality compared to conventional methods..

According to the research there are a number of key attributes that drive consumer actions which are cost, security, merchant acceptance, financial control and addressability.

- **Cost Sensitivity:-** The cost of mobile payments does not necessarily affect the decision of users to use them. In a survey, it was discovered that 62% of the consumers would use mobile payments if they received rewards in comparison to 22% without rewards.
- **Security Issues:-** Although mobile payments have security features like dynamic authentication, many people are still not comfortable to use them because of concerns about data safety.
- **Merchant Acceptance:-** Due to lack of payment terminals supporting mobile payments, it becomes difficult for customers to use them. More merchants accepting mobile payments positively impacts its usage by the customers.
- **Financial Management and Control:-** By showing their balance and expenses in real time, mobile payments help people, especially those with lower incomes, manage their money better.
- **Targeted Advertising and Promotions:-** On the basis of location, prior purchases and preferences of customers, mobile payment also facilitates targeted advertising. For some customers these promotions are helpful while others take them as intrusive or privacy-violative.

Hayashi concludes that although mobile payments have great benefits—particularly in security and money control—their utilization is still hampered by perceived risk, technology constraints, and limited merchant acceptance. As consumer experience grows and systems mature, features which are presently viewed as obstacles (e.g., security) could become incentives and could speed up the usage of mobile payments in the longer term.

3.0 Objectives:

1. To examine how convenience affects the adoption of mobile payments.
2. To Identify key convenience-related elements that affect the uptake of mobile payments.
3. To examine how the convenience of mobile payments affects customer satisfaction and loyalty and decision making by businesses and service payment providers

4.0 Relationship Between Convenience And Mobile Payment Adoption

Convenience is an important factor which positively influences mobile payment adoption. The more convenience that is offered, the greater the chances of mobile payment adoption.

Key Factors of Convenience are:-

- **User-friendliness:-** The processes of mobile payments are user-friendly, making it convenient for the customers to navigate and make transactions. This in turn increases its adoption rate.
- **Speed:-** Customers use the mobile payments more often because of the fast transaction processing as the payments are made quickly.
- **Accessibility:-** Mobile devices help to make transactions anytime, anywhere, without the need of cash or cards, which makes it super convenient.
- **User Experience:-** Easy to use and work well, mobile payments make customers happy and this increases customer retention.

5.0 Relationship Between Convenience Of Mobile Payments And Customers Satisfaction And Loyalty

- **Increased Convenience:-** As the customers no longer need to carry cash or cards with them, the convenient way of making transactions with mobiles increases the satisfaction.
- **Saves Time:-** Mobile payments allow customers to make the transactions quickly and efficiently increasing their satisfaction.
- **Customer Retention:-** When the customers are satisfied due to convenience, they tend to use mobile payment services more often, leading to higher customer retention rates.
- **Word-of-Mouth:-** Satisfied customers are more likely to recommend these services to others, which increases the adoption rate.

6.0 The Correlation Between How Convenient Mobile Transactions Are And How This Affects Businesses And Providers Of Payment Services

6.1 Influence On Businesses:

- **Smoother Transactions:-** Service speed is improved, especially in busy retail environments as the purchases are made quickly.
- **Flexibility:-** This feature encourages more frequent and spontaneous buying as there is no need to visit a store physically or carry cash.
- **Simplified Checkout:-** When businesses make it easier and quicker for the customers to make payment, lesser people abandon their cart which increases successful sales.

6.2 Influence On Payment Service Providers:

- **Secure Transactions:-** This builds trust and customers prefer repeated use as safety is one of the major concerns when it comes to monetary transactions.
- **24/7 Availability:-** It increases the dependence on the platform because one can access the services anytime.

- **Easy sign-up process:-** It is easy for the new users to start using the platform, fewer customer support queries helping the service provider to save time and resources and to grow its customer base rapidly.

7.0 Case Study

For example, Phone Pe, one of the leading platforms in India launched in 2016. Phone Pe offers many services like payment of bills, transfer of money, and shopping online. This study aims to investigate how the convenience driven framework adopted by Phone Pe has contributed to its popularity and success in driving mobile payment adoption in India.

7.1 Main Characteristics:

1. **Fast and secure transactions:** - Customers become delighted when they are able to complete their payments quickly due to Phone Pe's fast and secure transaction processing.
2. **User-friendly:** - It is very easy to be used by the customers taking less effort for navigation and transactions.
3. **Rewards and Cashbacks:** - This feature enhances the convenience and value proposition of its platform as different rewards and cashbacks are being offered to users.

7.2 Findings

1. **High user rate:** - Due to the use of a convenience driven framework, it has over 100 million registered users.
2. **Increased customer loyalty:** - Customers influenced by accessibility are inclined to continue using the platform and respond positively about it.

7.3 Conclusion: This study shows the significance of convenience as a driver in adopting mobile payments in India. This helps in increasing the use of this platform by customers, their satisfaction and loyalty also increases.

8.0 Methodology

This study involves the use of mixed design based on secondary data. It synthesizes findings from peer-reviewed academic journals, industry reports, and empirical studies on mobile payment adoption. To identify recurring patterns related to convenience and user behavior, thematic analysis was conducted. Main conclusions of the study are based on and supported by existing literature.

9.0 Conclusion

This study concludes that convenience is an important determinant of digital payment uptake. The findings highlight that making mobile payments easy and convenient helps more people use them. It can be observed that the adoption rate is positively related with the key characteristics of convenience of mobile payment services including fast transaction processing, easy to use, and work well anywhere so more people keep using them. By prioritizing convenience, operators of mobile payment services can amplify user engagement, retention and satisfaction which will ultimately give rise to expansion of the mobile payment industry.

As mobile money transfers keep changing, making things convenient will still be an important factor for its success and growth.

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