



# SERVICE QUALITY, CUSTOMER SATISFACTION, AND INTENTION TO LEAVE: A CASE STUDY OF PHONEPE MOBILE BANKING APPLICATION

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## ABSTRACT

*This research investigates the gender-based differences in perceptions of service quality, customer satisfaction, and intention to switch services across various sectors. Using statistical tools such as t-tests and ANOVA, the study analyzes responses from 385 participants representing diverse occupations, including employees, self-employed individuals, farmers, students, and homemakers. The findings reveal significant differences in perceptions based on privacy, reliability, appearance, and safety, with gender playing a pivotal role in shaping customer expectations. The study also examines the impact of occupation on service quality perception, highlighting the unique needs of various professional groups. The analysis suggests areas for improvement in service offerings and recommends strategies to enhance customer satisfaction, retention, and personalization. This research contributes to the growing body of knowledge on customer behavior, providing valuable insights for businesses seeking to tailor their services to meet diverse demographic needs.*

**Keywords:** Service Quality, Customer Satisfaction, Gender Differences, Occupation-Based Perceptions, Switching Intention

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## INTRODUCTION

In today's competitive market, understanding customer perceptions of service quality is crucial for businesses aiming to enhance customer satisfaction and loyalty. The growing diversity of consumer demographics, including gender and occupation, adds complexity to how services are perceived and experienced. While service quality models have been extensively studied, there is limited research examining how gender-based differences influence customers' expectations, satisfaction, and willingness to switch services. Additionally, the impact of occupation on service perception has often been overlooked.

This research aims to bridge this gap by exploring gender-wise perceptions of various service quality attributes, including privacy, safety, appearance, and reliability. By analyzing a sample of 385 respondents from diverse occupational backgrounds, the study provides valuable insights into the factors that drive customer satisfaction and switching intention. Using statistical techniques such as t-tests and ANOVA, this paper investigates how these demographic factors shape customer behavior and identifies areas where service providers can improve their offerings to better meet the needs of different consumer segments. The findings are intended to help businesses refine their strategies to improve customer experiences and foster long-term customer relationships.

## PhonePe Mobile Applications

PhonePe, a leading mobile payment application in India, has witnessed significant growth since its inception in 2015. Initially, the app capitalized on the country's increasing internet penetration and the government's push for digital payments, especially through the Digital India initiative (Kumar & Choudhary, 2021). By offering a wide range of services including UPI-based payments, recharges, bill payments, and financial services, PhonePe quickly established itself as one of the top contenders in the Indian mobile payments market. However, the market share of PhonePe has experienced fluctuations, particularly with the rise of competing applications such as Google Pay and Paytm, which have also gained substantial traction in recent years.

The competition in the mobile payment industry has become increasingly intense, with each player striving to capture a larger share of the growing digital payments pie. Google Pay, for example, has emerged as a major competitor by leveraging its strong integration with Google services and expanding its offerings to include small loans and financial products (Gupta & Jain, 2022). Paytm, on the other hand, has a stronghold in both digital payments and e-commerce, which poses a direct challenge to PhonePe's market share (Batra & Rao, 2019). Despite these challenges, PhonePe has continued to innovate, focusing on enhancing user experience, expanding its services, and forming strategic partnerships to retain its customer base. For instance, its foray into financial services such as mutual funds and insurance has allowed it to diversify its revenue streams (Nayak & Sharma, 2024).

As of recent reports, PhonePe continues to be a dominant player, maintaining a market share close to 40% in India's mobile payments sector (McKinsey & Company, 2020). However, the competitive landscape remains dynamic, with emerging players and new fintech innovations constantly reshaping the market. The increasing competition has made it critical for PhonePe to continue enhancing its value proposition, streamline its services, and address the changing needs of users to stay ahead in the market (Alalwan & Baabdullah, 2023).

## RESEARCH PROBLEM

In the increasingly competitive service industry, understanding the diverse factors that influence customer perceptions and satisfaction is critical for businesses aiming to enhance customer loyalty and reduce churn (Zeithaml, Parasuraman, & Berry, 1990).

The role of demographic variables, such as gender and occupation, in shaping customers' perceptions of service quality has received limited attention in existing research (Gerrard & Cunningham, 2004). While various service quality models have been extensively explored (Parasuraman, Zeithaml, & Berry, 1985), there remains a gap in understanding how gender-based differences and occupation-specific needs affect the evaluation of key service attributes like privacy, safety, reliability, and appearance (Homburg, Wieseke, & Kuehn, 2010). Previous studies have shown that customers' demographic characteristics significantly influence their expectations and evaluations of services (Kumbhar, 2021), yet the interactions between these factors and their impact on customer satisfaction and switching behavior remain underexplored. This research seeks to address this gap by investigating how gender and occupation influence service quality perceptions, overall satisfaction, and customers' intention to switch services. The findings aim to provide businesses with actionable insights to tailor their service offerings based on these demographic factors, thereby enhancing customer satisfaction, retention, and personalization (McKinsey & Company, 2020).

## REVIEW OF LITERATURE

The literature on PhonePe, one of India's leading mobile payment applications, has extensively examined various aspects, such as service quality, customer perception, customer satisfaction, and the intention to leave the app. Service quality is considered a fundamental factor in shaping customer satisfaction with mobile banking apps. According to studies, aspects like **responsiveness, reliability, security, and transaction** speed significantly influence how customers perceive PhonePe. **Service quality** is not limited to technical aspects, but also includes how well customer issues are resolved and the level of personalization offered through the app. Sundararajan and Zhan (2015) emphasize the role of **reliability and ease of use** in increasing customer adoption of mobile banking apps like PhonePe. Similarly, Sharma and Agarwal (2018) stress that the **responsiveness** of the service and its **accessibility** impact user satisfaction. They find that users are more likely to abandon apps that show slow transaction times or fail to meet their expectations of performance.

**Customer perception** is another critical determinant of PhonePe's success in the highly competitive mobile payment market. Research has consistently shown that users' perceptions of the app's **security, usefulness, and ease of use** are essential in shaping their overall experience. Rana and Dwivedi (2016) highlight that perceived **usefulness and ease of use** are significant drivers of mobile banking adoption (Kumbhar, 2011), which are crucial for customer retention. The trust that customers place in PhonePe to securely handle their financial transactions significantly contributes to their decision to continue using the app. A positive perception of the app's functionalities, particularly in terms of payment **reliability and the ability to quickly complete** transactions, further solidifies its place in users' daily routines (Kumbhar, 2011; (Kumbhar, 2012). However, if customers perceive any **risks, such as data privacy** concerns or technical glitches, their willingness to continue using the app may decline, leading to a higher intention to leave.

Customer satisfaction with PhonePe has been closely linked to the quality of service and the ease of the mobile banking experience. Gupta and Jain (2022) argue that user satisfaction is heavily influenced by factors like app **reliability, user interface, and the convenience of completing transactions**. Studies have shown that satisfied customers are more likely to engage with the app regularly and recommend it to others (Kumbhar, 2012).

For instance, Batra and Rao (2019) find that a direct correlation exists between customer satisfaction and increased usage frequency of mobile apps like PhonePe. Satisfaction is often driven by the app's **responsiveness, its ability to resolve issues promptly**, and its user-friendly design.

However, negative experiences such as slow processing, frequent app crashes, or complicated navigation can lead to frustration and dissatisfaction, which increases the likelihood of users abandoning the app (Patel & Ghosh, 2017).

The intention to leave or discontinue using PhonePe is a critical area of concern in the literature on mobile banking apps. Users often abandon mobile payment platforms due to dissatisfaction with service quality, security issues, or technical failures. Meena and Rathi (2020) explore the factors that influence retention in mobile banking apps, noting that users are likely to leave when they encounter frequent problems like transaction failures or a lack of customer support. Kumar and Choudhary (2021) emphasize that the user's decision to continue using a service or leave is also influenced by their overall experience with the app's interface, security features, and how well the app meets their needs. Alalwan and Baabdullah (2023) further point out that **poor customer service and unresolved complaints** are major factors driving users toward abandonment, reinforcing the need for mobile banking apps like PhonePe to prioritize customer satisfaction and service quality.

In conclusion, the success of PhonePe, and similar mobile payment platforms, largely hinges on providing high-quality services that meet customer expectations. As mobile banking continues to evolve, the importance of service quality, user satisfaction, and security remains paramount. Addressing these areas effectively can help reduce churn rates and enhance customer retention, ensuring that users continue to trust and engage with the app.

## Data Source and Data Collection

The data for this study was collected from a total of **385 respondents** across six districts of Maharashtra, namely **Satara, Sangli, Solapur, Kolhapur, Pune, and Ahmednagar**. These districts were selected to ensure a diverse and representative sample of the mobile banking users in the region. An **online survey schedule** was employed for data collection, which enabled efficient and wide-reaching distribution of the questionnaire. The online method was chosen to reach a broader audience and accommodate the geographical spread of the participants, especially given the growing accessibility of the internet in these regions.

The survey used a **3-point Likert scale** to assess respondents' perceptions of mobile banking services. The scale offered three response options: **Agree, Neutral, and Disagree**, allowing for an analysis of varying degrees of agreement or disagreement regarding specific aspects of mobile banking such as ease of use, security, privacy, and more. This scale was selected for its simplicity and ability to capture respondents' attitudes without overwhelming them with too many response options, ensuring ease of participation and reliable data collection.

## Sampling Method and Respondents

For this study, a stratified random sampling technique was employed to ensure that different occupational groups were adequately represented. The target population was individuals who use mobile banking services, and participants were selected from various occupational categories. This allowed for a comprehensive analysis of how different user groups perceive mobile banking services. 575 respondents were surveyed in total, however only the 385 respondents who are using PhonePe Mobile Application were considered for this analysis. Hence, the sample size was 385 respondents, as outlined in Table 1.

<b>Table 1: Respondents for this Study</b>		
<b>Occupation</b>	<b>Total</b>	<b>Percentage</b>
Employee	118	30.7%
Self Employed	49	12.7%
Farmer	41	10.7%
House Wife	47	12.2%
Student	123	31.9%
Unemployed	08	2.1%
<b>Total</b>	<b>385</b>	<b>100%</b>

**Table 1** explains, the occupational distribution, It respondents highlights diverse representation, The table shows the distribution of respondents based on their occupation. The largest group is **Students** (31.9%), followed by **Employees** (30.7%). **Self-employed** individuals make up 12.7%, and **Housewives** account for 12.2%. **Farmers** represent 10.7%, while **Unemployed** respondents are the smallest group, contributing only 2.1%.

### Gender wise Perception about Service Quality, Satisfaction and Intension to leave

Table 2 depicts that, the results of t-tests comparing gender-wise perceptions regarding service quality, satisfaction, and intention to leave. The p-values for Privacy, Reliability, and Appearance are below 0.05, indicating significant differences between genders for these variables, leading to the rejection of the null hypothesis. In contrast, the p-values for other variables such as Easiness, Scope, Speed, and Safety are above 0.05, suggesting no significant gender differences in these aspects, and thus the null hypothesis is not rejected. Overall, the findings highlight that gender plays a role in shaping perceptions of privacy, reliability, and appearance, but has little impact on other factors related to service quality and customer satisfaction.

<b>Table 2: Gender wise Perception about Service Quality, Satisfaction and Intension to leave</b>						
<b>Variable</b>	<b>t</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	<b>Mean Difference</b>	<b>Std. Error Difference</b>	<b>Decision about Null Hypothesis</b>
<b>Easiness</b>	-1.285	384	0.200	-0.048	0.038	Fail to reject the null hypothesis
<b>Scope</b>	-1.686	384	0.093	-0.086	0.051	Fail to reject the null hypothesis
<b>Speed</b>	-0.677	384	0.499	-0.033	0.049	Fail to reject the null hypothesis
<b>Privacy</b>	-3.259	384	0.001	-0.123	0.038	<b>Reject the null hypothesis</b>
<b>Safety</b>	-1.587	384	0.113	-0.061	0.039	Fail to reject the null hypothesis
<b>Reliability</b>	-2.456	384	0.014	-0.099	0.040	<b>Reject the null hypothesis</b>
<b>Responsiveness</b>	-0.419	384	0.676	-0.023	0.056	Fail to reject the null hypothesis
<b>Cost Effectiveness</b>	0.661	384	0.509	0.029	0.043	Fail to reject the null hypothesis
<b>Usefulness</b>	-0.792	384	0.429	-0.030	0.038	Fail to reject the null hypothesis
<b>Appearance</b>	-3.082	384	0.002	-0.134	0.044	<b>Reject the null hypothesis</b>
<b>Overall Perception</b>	-1.795	384	0.073	-0.082	0.046	Fail to reject the null hypothesis
<b>Overall Satisfaction</b>	-0.512	384	0.609	-0.032	0.062	Fail to reject the null hypothesis
<b>Switching Intention</b>	1.444	384	0.150	0.090	0.062	Fail to reject the null hypothesis

Rejected Null Hypothesis (indicating a significant difference): Privacy, Reliability, Appearance. Failed to Reject Null Hypothesis (indicating no significant difference): Easiness, Scope, Speed, Safety, Responsiveness, Cost Effectiveness, Usefulness, Overall Perception, Overall Satisfaction, Switching Intention.

**Age Group wise Perception about Service Quality, Satisfaction and Intension to leave** Table 3 indicating the results of ANOVA test, the **Decision about the Null Hypothesis** based on the p-value comparison to the significance level ( $\alpha = 0.05$ ). The null hypothesis is rejected if the p-value is less than 0.05, and not rejected if the p-value is greater than 0.05.

<b>Table 3: Age Group wise Perception - Service Quality, Satisfaction and Intension to leave</b>						
<b>Variable</b>	<b>Sum of Squares*</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	<b>Decision about Null Hypothesis</b>
<b>Easiness</b>	0.752	3	0.251	1.878	0.133	Fail to reject the null hypothesis
<b>Scope</b>	1.343	3	0.448	1.828	0.141	Fail to reject the null hypothesis
<b>Speed</b>	0.295	3	0.098	0.424	0.736	Fail to reject the null hypothesis
<b>Privacy</b>	0.080	3	0.027	0.193	0.901	Fail to reject the null hypothesis
<b>Safety</b>	0.582	3	0.194	1.372	0.251	Fail to reject the null hypothesis
<b>Reliability</b>	0.050	3	0.017	0.107	0.956	Fail to reject the null hypothesis
<b>Responsiveness</b>	1.049	3	0.350	1.175	0.319	Fail to reject the null hypothesis
<b>Cost Effectiveness</b>	0.281	3	0.094	0.529	0.663	Fail to reject the null hypothesis
<b>Usefulness</b>	2.084	3	0.695	5.109	0.002	<b>Reject the null hypothesis</b>
<b>Appearance</b>	0.872	3	0.291	1.589	0.192	Fail to reject the null hypothesis
<b>Overall Perception</b>	0.719	3	0.240	1.194	0.312	Fail to reject the null hypothesis
<b>Overall Satisfaction</b>	2.162	3	0.721	2.000	0.113	Fail to reject the null hypothesis
<b>Switching Intention</b>	0.251	3	0.084	0.227	0.877	Fail to reject the null hypothesis
<b>* Between Groups</b>						

For most of the variables (e.g., Easiness, Scope, Speed, Privacy, Safety, Reliability, Responsiveness, Cost Effectiveness, Appearance, Overall Perception, Overall Satisfaction, and Switching Intention), the p-values are greater than 0.05. This means that there is no significant difference in the perceptions across gender groups for these variables. The null hypothesis, which posits that there are no differences between the groups, cannot be rejected for these variables. Usefulness is the only variable with a p-value of 0.002, which is less than 0.05. This indicates a statistically significant difference in how male and female respondents perceive the usefulness of the service. The null hypothesis is rejected, suggesting that gender influences perceptions of usefulness.

### Income Group wise Perception - Service Quality, Satisfaction and Intension to leave

The ANOVA table 4 with the **Decision about Null Hypothesis** based on the p-value comparison to the significance level ( $\alpha = 0.05$ ). **All variables** in this ANOVA table have p-values greater than 0.05, indicating that there are **no significant differences** between the groups for any of the variables (Easiness, Scope, Speed, Privacy, Safety, Reliability, Responsiveness, Cost Effectiveness, Usefulness, Appearance, Overall Perception, Overall Satisfaction, and Switching Intention). As all p-values are greater than 0.05, we **fail to reject the null hypothesis** for every variable. This means that the data does not provide sufficient evidence to conclude that there are significant differences between the groups for any of the measures in this study. The groups (presumably based on a factor like gender, age, or another categorical variable) perceive these service aspects similarly.

<b>Table 4: Income Group wise Perception - Service Quality, Satisfaction and Intension to leave</b>						
<b>Variable</b>	<b>Sum of Squares*</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	<b>Decision about Null Hypothesis</b>
<b>Easiness</b>	1.091	5	0.218	1.636	0.149	Fail to reject the null hypothesis
<b>Scope</b>	1.723	5	0.345	1.406	0.221	Fail to reject the null hypothesis
<b>Speed</b>	0.889	5	0.178	0.767	0.574	Fail to reject the null hypothesis
<b>Privacy</b>	1.042	5	0.208	1.525	0.181	Fail to reject the null hypothesis
<b>Safety</b>	0.541	5	0.108	0.761	0.578	Fail to reject the null hypothesis
<b>Reliability</b>	0.640	5	0.128	0.822	0.535	Fail to reject the null hypothesis
<b>Responsiveness</b>	0.600	5	0.120	0.400	0.849	Fail to reject the null hypothesis
<b>Cost Effectiveness</b>	0.626	5	0.125	0.705	0.620	Fail to reject the null hypothesis
<b>Usefulness</b>	0.238	5	0.048	0.336	0.891	Fail to reject the null hypothesis
<b>Appearance</b>	0.854	5	0.171	0.929	0.462	Fail to reject the null hypothesis
<b>Overall Perception</b>	1.195	5	0.239	1.192	0.313	Fail to reject the null hypothesis
<b>Overall Satisfaction</b>	1.493	5	0.299	0.821	0.536	Fail to reject the null hypothesis
<b>Switching Intention</b>	0.348	5	0.070	0.188	0.967	Fail to reject the null hypothesis
<b>* Between Groups</b>						

These results suggest that there are no statistically significant differences in the perceptions of service quality, satisfaction, and intention to leave across the groups tested. Service providers may not need to differentiate their strategies based on these factors, as they do not appear to vary significantly across the groups.

### Occupation wise Perception - Service Quality, Satisfaction and Intension to leave

**Table 5** with the **Decision about Null Hypothesis** based on the p-value comparison to the significance level ( $\alpha = 0.05$ ). For the majority of the variables (Easiness, Scope, Speed, Privacy, Reliability, Responsiveness, Cost Effectiveness, Usefulness, Appearance, Overall Perception, Overall Satisfaction, and Switching Intention), the **p-values** are greater than **0.05**. This indicates that there are **no significant differences** in the means of these variables across the groups. In these cases, the **null hypothesis** (that the means of the groups are equal) **cannot be rejected**. **Safety** is the only variable where the p-value is **0.044**, which is **less than 0.05**, indicating a statistically significant difference in the means of the groups for this variable. Thus, the **null hypothesis is rejected** for **Safety**, meaning there is a significant difference in how different groups perceive safety.

<b>Table 5: Occupation wise Perception - Service Quality, Satisfaction and Intension to leave</b>						
<b>Variable</b>	<b>Sum of Squares*</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	<b>Decision about Null Hypothesis</b>
<b>Easiness</b>	0.759	5	0.152	1.132	0.343	Fail to reject the null hypothesis
<b>Scope</b>	1.630	5	0.326	1.329	0.251	Fail to reject the null hypothesis
<b>Speed</b>	1.916	5	0.383	1.672	0.140	Fail to reject the null hypothesis
<b>Privacy</b>	0.552	5	0.110	0.800	0.550	Fail to reject the null hypothesis
<b>Safety</b>	1.609	5	0.322	2.309	0.044	Reject the null hypothesis
<b>Reliability</b>	0.371	5	0.074	0.473	0.796	Fail to reject the null hypothesis
<b>Responsiveness</b>	1.249	5	0.250	0.837	0.524	Fail to reject the null hypothesis
<b>Cost Effectiveness</b>	1.278	5	0.256	1.455	0.204	Fail to reject the null hypothesis
<b>Usefulness</b>	0.330	5	0.066	0.467	0.801	Fail to reject the null hypothesis
<b>Appearance</b>	1.403	5	0.281	1.538	0.177	Fail to reject the null hypothesis
<b>Overall Perception</b>	0.960	5	0.192	0.954	0.446	Fail to reject the null hypothesis
<b>Overall Satisfaction</b>	0.233	5	0.047	0.127	0.986	Fail to reject the null hypothesis
<b>Switching Intention</b>	0.538	5	0.108	0.291	0.918	Fail to reject the null hypothesis
<b>* Between Groups</b>						

These findings suggest that service providers may need to pay more attention to Safety perceptions, potentially tailoring their approach depending on the group in question, while for other variables, a general strategy can be applied.

### Switching Intension of the PhonePe Users:

Table 6 indicates that, the significant portion of respondents (70.7%, n=273) indicated that they **do not intend to switch** from using the PhonePe mobile application, suggesting a high level of satisfaction or loyalty among users. 22.5% of respondents (n=87) chose a **neutral** stance, indicating they neither agree nor disagree with switching. This group may represent users who are satisfied but open to exploring other alternatives or users who have mixed feelings. Only 6.7% (n=26) of respondents reported an intention to **switch** to another mobile payment app.



This proportion is relatively low, which implies that a vast majority of users are satisfied with PhonePe and do not plan to switch to a competitor.

<b>Table 6: Switching Intension of the PhonePe Users</b>			
<b>Response</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Yes	26	6.7%	6.7%
Neutral	87	22.5%	29.2%
No	273	70.7%	100.0%
<b>Total</b>	<b>386</b>	<b>100.0%</b>	<b>100.0%</b>

The data reflects a strong inclination among users to continue using the PhonePe mobile application. The large percentage of respondents (70.7%) indicating "No" to switching suggests that PhonePe has established a loyal customer base. Additionally, the relatively small percentage (6.7%) of users intending to switch indicates that the app is meeting the needs of most of its users, while a neutral group (22.5%) suggests that there may be potential areas for improvement to further increase retention. However, the Cumulative Percentage of respondents intended to switch and respondents on border line is 29.2%, it is alarming indication to the service provider. It should be taken in to consideration.

## MAJOR FINDINGS:

1. **Gender-based Perception and Satisfaction: Privacy and Reliability:** There is a significant difference in perception between genders for the variables **Privacy** and **Reliability**. The null hypothesis for these factors was rejected, indicating that the perceptions of men and women differ significantly in these areas. **Appearance:** A significant gender-based difference was also found in the perception of **Appearance**, where the null hypothesis was rejected. **Other Variables:** For other variables like **Easiness, Scope, Speed, Safety, Responsiveness, Cost Effectiveness, Usefulness, Overall Perception, Overall Satisfaction, and Switching Intention**, the null hypothesis was not rejected. This suggests no significant gender-based differences in perceptions for these factors.
2. **Age Group and Income Group -based Perception and Satisfaction:** Most variables in the study, such as **Easiness, Scope, Speed, Privacy, Reliability, Responsiveness, Cost Effectiveness, Usefulness, Appearance, Overall Perception, Overall Satisfaction, and Switching Intention**, showed no statistically significant differences across groups, as indicated by high p-values (above 0.05). However, **Safety** showed a significant difference between groups (p-value = 0.044), suggesting that the perception of safety varies across the different respondent groups.
3. **Occupation -based Perception and Satisfaction:** **Students** and **Employees** constitute the largest groups among the respondents, with **Students** making up 31.9% and **Employees** making up 30.7%. This suggests that the views on service quality and satisfaction might be influenced heavily by these two occupational groups. **Self-employed** individuals (12.7%), **Housewives** (12.2%), and **Farmers** (10.7%) form smaller but significant groups in the study. **Unemployed** individuals made up the smallest group, representing only 2.1% of respondents.
4. **Overall Trends in Perception and Satisfaction:** A notable trend is that most of the variables analyzed in the **ANOVA** and **t-test** showed non-significant differences across groups, indicating that respondents across various categories (gender, occupation, etc.) tend to have similar perceptions about service quality factors like **Easiness, Scope, Speed, and Responsiveness**. Significant differences were only found in a few variables

(**Privacy, Reliability, Appearance, and Safety**), which could suggest areas where targeted improvements or attention may be necessary.

5. **Alarming Situation:** The 22.5% of respondents who are neutral, coupled with the cumulative percentage of 29.2% for those on the borderline of switching, highlights a potential area of concern. This neutral and borderline group could signal dissatisfaction or areas for improvement, which should be closely addressed by the service provider to prevent future churn.

## RECOMMENDATIONS

The analysis from both **t-tests** and **ANOVA** suggests that while gender and occupation may influence perceptions in specific instances, most of the factors considered in this study are largely consistent across groups. Service quality improvement strategies should therefore focus on broad improvements that cater to the general customer base rather than trying to address differences across gender or occupation in most areas.

1. **Focus on Privacy and Security Measures:** Since significant differences in perception were found between genders for Privacy and Reliability, and considering the impact of Safety, businesses should tailor their services to emphasize robust privacy policies and secure transactions. Privacy and security measures should be clearly communicated to both male and female customers, ensuring that they feel confident in the safety of their data and transactions.
2. **Gender-Specific Customization** - Appearance was another factor where gender differences were observed. It is recommended that businesses consider gender-specific preferences in the design and interface of their services, such as apps or websites. This could include offering customization options for visual elements (e.g., themes, font sizes, colors) to enhance the user experience for both men and women.
3. **Enhance Safety Features:** Given the significant difference in perceptions of **Safety**, businesses should prioritize improvements in safety features, such as fraud detection systems and customer support for security concerns. These enhancements should be communicated clearly to customers through marketing and onboarding processes, ensuring that customers from all backgrounds are aware of these measures.
4. **Universal Service Quality Improvements:** Since most of the variables analyzed (like **Easiness, Scope, Speed, Responsiveness, and Cost Effectiveness**) did not show significant differences across gender and occupation groups, it is advisable to focus on universal improvements. Service providers should ensure that the service remains easy to use, fast, cost-effective, and responsive, addressing the general customer base rather than targeting specific demographic groups.
5. **Target Students and Employees with Tailored Offerings:** As **Students** and **Employees** made up the largest groups of respondents, businesses should consider creating offerings or service packages that appeal specifically to these groups. For example, students might benefit from educational discounts or more flexible payment options, while employees might prefer time-saving features or services that cater to their busy work schedules.
6. **Promote Usefulness and Efficiency:** Since **Usefulness** emerged as a key area of service perception, businesses should emphasize how their services help users achieve their goals effectively. Marketing campaigns should focus on the practical benefits and time-saving features of the product or service, showing how it fits into the users' everyday needs and makes their tasks easier.

7. **Monitor and Address Satisfaction Levels:** With **Overall Satisfaction** showing no significant differences across groups, businesses should maintain a focus on continuous improvement. Regular surveys, feedback collection, and customer satisfaction monitoring can help identify areas for improvement. Businesses should also address any minor issues to keep customer satisfaction levels high.
8. **Address the Needs of Niche Groups:** Even though **Unemployed** individuals made up the smallest group in the study (2.1%), businesses should consider the needs of this demographic, possibly offering tailored services that could attract them, such as budget-friendly options or personalized support services that make the service more accessible.
9. **Focus on Customer Loyalty:** With 70.7% of users expressing no intention to switch, PhonePe should continue to invest in customer loyalty programs, such as personalized offers, rewards, and incentives for long-term users. This will help further strengthen the existing user base and encourage them to remain loyal.
10. **Address the Neutral Customers:** The 22.5% of users who are neutral indicate an opportunity to engage users who are not entirely satisfied but are not yet dissatisfied either. PhonePe can implement targeted strategies to convert these neutral users into loyal advocates, such as gathering feedback on their experiences and offering personalized services based on their preferences.
11. **Minimize Factors Leading to Switching:** With 6.7% of users expressing an intention to switch, it is crucial to identify the pain points leading to this behavior. PhonePe should regularly assess user feedback and satisfaction levels to understand the reasons behind the potential switch. Common issues like app performance, fees, security concerns, or lack of features could be addressed to reduce churn.
12. **Monitor Market Trends and Competitor Strategies:** As the digital payment space is highly competitive, PhonePe should monitor emerging trends and the strategies of competitors. This will allow them to stay ahead in terms of innovation and user satisfaction, ensuring that existing customers see no reason to switch.
13. **Enhance App Features and User Experience:** While the majority are not considering switching, continuous improvement of the app's features and user interface can help retain users and attract new ones. PhonePe could introduce new features based on market trends or user feedback and ensure the app remains competitive against other mobile payment platforms.
14. **Identify Specific Pain Points :** it is recommended that PhonePe focus on strengthening customer engagement and satisfaction to retain the 29.2% of users who are neutral or borderline in their intention to switch. The service provider should conduct further analysis to identify specific pain points within the app experience, particularly among the neutral group, and implement improvements in areas such as user interface, service features, and customer support.
15. **Targeted Communication:** Additionally, targeted communication strategies and personalized offers could be employed to convert neutral users into loyal ones and further reduce the small percentage of users intending to switch. Monitoring these trends over time and continuously refining the user experience will be key to maintaining a strong customer base.

## SCOPE FOR FURTHER RESEARCH

The scope for further research in this area is vast, particularly in exploring the intersection of demographic factors, such as gender and occupation, with service quality perceptions and customer satisfaction. Future studies could delve deeper into the impact of technological advancements, including AI and automation, on customer experiences across various sectors.

Additionally, researching the role of cultural, regional, and psychological factors in shaping service expectations can provide a more comprehensive understanding of consumer behavior. Investigating the emotional aspects of customer service, especially in relation to customer support and retention, could uncover new insights that help businesses improve their offerings. Comparative studies across different regions or international markets may further highlight the global variations in service expectations, providing valuable guidance for businesses operating in diverse environments.

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