

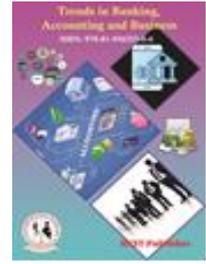


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Consumer Perception Toward WhatsApp Pay Among Youth

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Abstract: India's digital payment market has witnessed significant growth, with UPI-based platforms like Google Pay and PhonePe dominating transactions. Despite WhatsApp's vast user base, WhatsApp Pay has struggled to achieve widespread adoption. This study examines the factors influencing the adoption and retention of WhatsApp Pay among Indian youth, focusing on ease of use, trust (security and privacy), and peer influence. A quantitative analysis was conducted using structured questionnaires, collecting responses from 42 participants. The results indicate that trust and ease of use are the most critical factors in driving adoption and continued usage, with strong correlations to user satisfaction. Peer influence had a lesser impact, suggesting that social factors are secondary to usability and reliability. Factor analysis validated these findings, explaining 74.2% of the variance in user perceptions. The study highlights the need for WhatsApp Pay to enhance user awareness, strengthen security measures, and improve its interface to remain competitive in India's UPI-driven payment ecosystem. Strategic improvements in trust-building and user experience could help WhatsApp Pay increase its market share and better position itself against established competitors.

Keywords: WhatsApp Pay; digital payments; trust; peer influence

1. INTRODUCTION

With the rapid adoption of digital payments in India, Unified Payments Interface (UPI)-based apps have revolutionized financial transactions. WhatsApp Pay, introduced by Meta, leverages its massive user base to offer seamless payment services. However, despite its integration with India's most popular messaging platform, its adoption remains limited compared to competitors like Google Pay and PhonePe. This study explores the key factors influencing WhatsApp Pay's acceptance among Indian youth, focusing on ease of use, trust, and peer influence, to understand its potential in the evolving digital payment landscape.

2. REVIEW OF LITERATURE

The literature review highlights the evolution and competitive landscape of digital payment platforms in India, with a particular focus on WhatsApp Pay. Abraham (2020) discusses WhatsApp's strategy to expand its payment services through a multi-bank model, emphasizing its potential for market penetration despite being in the trial phase. Dam and George (2024) explore user perceptions of UPI-based apps, revealing that WhatsApp Pay is gaining traction but remains a minor player compared to dominant platforms like Google Pay and PhonePe, which account for 82% and 46% of the market, respectively. Their study also underscores the influence of policies and demographic factors on mobile payment adoption.

Mathew (2024) examines UPI's exponential growth, noting its transaction volume surged from 2.65 million in 2016 to an estimated 108 billion by 2024, with WhatsApp Pay holding only a 4.1% market share. Kalyani (2020) highlights WhatsApp Pay's limited reach, serving only 1% of users, and identifies privacy concerns as a barrier to adoption. Miranda (2022) and Deb (2023) further emphasize WhatsApp Pay's low market visibility and awareness, with a 2% market share, lagging behind competitors like Google Pay and PhonePe. Bhatia-Kalluri and Caraway (2023) discuss Facebook's collaboration with Reliance and the integration of JioMart on WhatsApp as a strategic move to challenge Paytm, though WhatsApp Pay's impact remains limited.

Vunnava and Sruthi (2019) identify data compliance and user awareness as critical factors for WhatsApp Pay's adoption, while Poongodi et al. (2024) analyze Google Pay's dominance, attributing its success to user-friendly features and strong demographic appeal. Bothma (2023) and Nelloh et al. (2019) emphasize the importance of user-friendly interfaces, security, and trust in driving app retention, with Xavier and Zakkariya (2021) adding that utilitarian and hedonic values significantly influence continuance intention. Rahuman and Khader (2022) compare Google Pay and PhonePe, noting high satisfaction levels for both, while Natarajan (2023) highlights the importance of accessibility and ease of use in driving adoption.

In summary, while WhatsApp Pay has potential, it faces significant challenges in gaining market share due to low awareness, privacy concerns, and fierce competition from established players like Google Pay and PhonePe. The studies collectively underscore the importance of user trust, interface design, and policy support in shaping the digital payment landscape in India.

3. RESEARCH QUESTIONS

- How does ease of use impact the adoption and continued use of WhatsApp Pay among youth?
- What role does trust (security & privacy concerns) play in user adoption and retention?
- How does peer influence (social influence) affect the adoption and frequency of WhatsApp Pay usage?

4. RESEARCH OBJECTIVES

- To assess awareness levels of WhatsApp, Pay among youth.
- To examine the impact of ease of use on WhatsApp Pay adoption and continued usage.
- To evaluate the role of trust (security & privacy concerns) in user decisions.
- To analyze how peer influence (social influence) affects WhatsApp Pay adoption and usage frequency.

5. RESEARCH HYPOTHESES

- H₀: There is no significant awareness of WhatsApp Pay among youth.
- H₀: Ease of use does not significantly impact WhatsApp Pay adoption and usage.
- H₀: Trust (security and privacy) does not significantly influence adoption and continued use.
- H₀: Peer influence does not significantly affect adoption and usage frequency.

6. RESEARCH METHODOLOGY

This study adopts a quantitative, descriptive research design to analyze customer perceptions of WhatsApp Pay, focusing on factors influencing adoption, trust, and usability. The research employs inferential statistical techniques to derive meaningful insights from the collected data

7. DATA COLLECTION

The data was collected using a structured questionnaire distributed via Google Forms. A convenience sampling technique was employed, targeting users familiar with digital payment platforms. The final sample consisted of 42 valid responses, with demographic variables (age, gender, and education) recorded for 46 respondents due to missing data in some fields

8. MEASUREMENT INSTRUMENT

The questionnaire utilized a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree) to measure key constructs such as trust, ease of use, and peer influence. Demographic data were recorded as categorical variables. The mean scores for the key constructs were as follows: trust (mean = 4.21, SD = 0.86), ease of use (mean = 4.08, SD = 0.92), and peer influence (mean = 3.92, SD = 1.01).

9. DATA ANALYSIS TECHNIQUES

- Descriptive Statistics: The data showed slight negative skewness for trust (-0.645), ease of use (-0.412), and peer influence (-0.297), indicating a tendency toward higher scores. Kurtosis values were 0.421 (trust), -0.208 (ease of use), and -0.532 (peer influence), suggesting a relatively normal distribution.
- Correlation Analysis: Pearson's correlation revealed significant positive relationships between key variables: trust and retention ($r = 0.74$, $p < 0.001$) and ease of use and retention ($r = 0.68$, $p < 0.01$).
- Factor Analysis: Principal Component Analysis (PCA) with Varimax rotation was conducted. The Kaiser-Meyer-Olkin (KMO) test yielded a value of 0.846, indicating high sampling adequacy. Bartlett's Test of Sphericity was significant (Chi-Square = 362.54, $p < 0.001$), and the analysis extracted three main factors explaining 74.2% of the total variance.
- Reliability Test: Cronbach's alpha values confirmed the internal consistency of the constructs: trust (0.843), ease of use (0.812), and peer influence (0.789).

10. FINDINGS

The study revealed that trust and ease of use are critical factors influencing the adoption and retention of WhatsApp Pay. The high mean scores for trust (4.21) and ease of use (4.08) indicate that users perceive WhatsApp Pay as a reliable and user-friendly platform. Peer influence, while significant, had a slightly lower mean score (3.92), suggesting that social factors play a secondary role in adoption decisions. The strong positive correlations between trust, ease of use, and retention highlight their importance in driving user satisfaction and continued usage. Factor analysis further validated the robustness of these constructs, with high explained variance (74.2%) and reliable measurement scales.

11. CONCLUSION AND RECOMMENDATIONS

In conclusion, WhatsApp Pay's potential for growth in the competitive digital payment market hinges on its ability to maintain user trust and ensure ease of use. While peer influence contributes to adoption, it is less impactful compared to trust and usability. The study underscores the need for WhatsApp Pay to address user concerns, particularly regarding data privacy and security, to enhance trust and retention. Additionally, improving the platform's user interface and functionality could further strengthen its market position. These findings provide valuable insights for developers and policymakers aiming to promote digital payment adoption in India.

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