Users' Perception on Their Experience with FamPay

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ABSTRACT

The objective of this paper is to determine customer satisfaction with FamPay. Since marketing strategies are positively associated with customer satisfaction, organizations need to design customer-value driven marketing strategies to satisfy customer's needs. Thus, several organizations, such as FamPay, have moved away from mass marketing and toward target marketing. The study used a quantitative method with questionnaires to collect data from respondents. The findings indicated that marketing strategies have impact on the customer satisfaction.

Keywords: Customer Satisfaction, Financial Technology, Marketing strategies, Target Marketing

INTRODUCTION

Customer satisfaction is vital for organizations and companies, especially for those in-service sectors (Maladi, Nirwanto, & Firdiansjah, 2019). It is the key component which drives the success of an organization. Customers are people who purchase goods, or products and service from the organization to meet and fulfil what they need and want (Kadka & Maharjan, 2017). Satisfaction refers to fulfilment of one's expectation or needs. Customers play a crucial role for an organization as they are the profit generator, brand ambassador and the core of business strategy. Thus, it is important to maintain customers satisfaction, for it is has a major effect on organization's financial standing and public perception (Basari & Shamsudin, 2020). Customer satisfaction is normally associated with the customer gratification, the source of which is the fulfilment of their expectation for the products or services. Customer's attitude towards the service provided or any reaction related to their satisfaction from what they expect and what they get is satisfaction (Hansemark & Albinson, 2004).

Research indicates that marketing strategies have positive relationship on customer satisfaction. When a customer perceives better marketing strategies such as place, promotion, and market positioning, they will feel more satisfied (Li & Hung, 2009). According to Oliva, Oliver, and MacMillan (1992), customer satisfaction is the main philosophy of an organization's marketing strategy to drive the organization toward

success.

Marketing strategy has a positive effect on customer satisfaction and strengthen the effect of consumer behavior on organization's performance (Kanten, & Darma, 2017). Organizations with good marketing strategies will end up achieving high customer satisfaction, as through marketing strategies, they could decide which customer to serve and how they are served to satisfy their expectation.

Marketing is the heart of an organization's success. According to Armstrong, Kotler and Opresnik (2020), marketing is the process of making value for patrons and creating good relationships with customers to get value from customers in return. Choosing customer's marketing and relationship as the main contemporary is also a reason for the approach. Organizations that can develop good marketing strategies will be successful and sustainable in the market for an exceptionally long period. However, if they develop weak marketing strategies, they might end up closing. Aremu and Lawal (2012) defined strategy as decisions of resource allocation throughout a corporation. Marketing strategy is a long-term and proactive overall plan to achieve organizational objectives to understand and satisfy customers' needs and wants and compete in the competitive environment eventually. Additionally, market segmentation, market targeting, differentiation, and positioning are four vital steps an organization must consider when creating a good marketing strategy.

FamPay, founded in 2019 by two graduates of IIT-Roorkee, Kush Taneja and Sambhav Jain, is a financial technology company based in Bengaluru, India. As India's first neo-bank for teenagers, it allows teenagers in India to do Unified Payments Interface (UPI), Peer to Peer (P2P), and card payments without a bank account. Its mission is raising a replacement, financially aware generation of Indians who understand the basics of private finance and create decisions in their best future interest (FamPay, 2020). FamPay built an app available for both Android and iOS users on the Google Play Store and Apple Store. Parents just need to send money to their children who are below the age of 18 on the app. Then, their children can spend securely anywhere and anytime under their parent's supervision.

FamPay has launched FamCard, a numberless card, similar to a debit card which allows teenagers in India to make payments. There are no numbers on card and all the details, such as Card Verification Value (CVV) and expiry date, are stored on the FamPay app. Users do not have to refer to their FamCard to fill the information whenever they want to make online transactions. They do not need to worry as when they lose the card, they can block, pause, and manage their FamCards at their fingertips on the app. Users also can be worry-free about their FamCard information getting disclosed if their smartphones get stolen since the card details can only be accessed with device locks such as Face ID, PIN, fingerprint, or pattern lock.

FamPay can sustain itself in the Indian market and become successful in just one year after the organization is founded due to its good marketing strategy. Armstrong, Kotler, and Opresnik (2020) suggested that there are four important steps to design a good marketing strategy. First is market segmentation, which is the process of dividing market into definite groups of buyers with various characteristics, behaviors or needs and who may need different marketing strategies or mixes. According to Kotler et al (2020), psychographic, geographic, behavioral, and demographic are the four vital variables of segmentation.

FamPay has segmented the market into few categories such as psychographic, demographic, and geographic. Dividing markets states, nations, countries, neighborhoods or cities is called geographic segmentation. FamPay has performed geographic segmentation by offering its service to teenagers only in India. Process of dividing market according to lifestyle, age, income, ethnicity, religion, education, gender, and occupation is referred as demographic segmentation.

FamPay has divided the demographic Generation Z, those between 12-18 years old. According to Singh (2020), 20 million out of more 250 million teenagers in India own mobile phones. Generation Z may be in the early years of maturation; however, their purchasing power continues to grow. FamPay has made a good decision by targeting Generation Z (Clearlink, 2019).

Psychographic segmentation is the process of dividing market according to personality characteristics or lifestyle. FamPay's psychographic target segment is digitally savvy teenagers.

Armstrong et al. (2020) stated that the process where firms evaluate every market based on their attractiveness in deciding one or few markets is market targeting. Differentiated marketing is where the firm targets few segments of market and create different offers for everyone. Differentiation refers to differentiating firms' offers to the market to create higher customer value (Armstrong et al., 2020). Organizations need to decide how their offering will be different from their competitors. Organizations can create differences in their product, services, image, channels, or people.

Another FamPay's marketing strategy is channel differentiation. It is not compulsory for users to go to the headquarters to register for FamCard. Users can get their Famcard delivered to their doorstep once they sign up on FamPay app and complete Know Your Customer (KYC) for free on their smartphones. FamCard is also unique and different from other debit card providers as it is vertical with no numbers printed on the card, and its black color represents a classy look. FamPay's flying bird logo represents the financial freedom given to teenagers in India. Users can also personalize their FamCard with the name they want.

There is also social feed available on FamPay app which allows users to share their spending with their friends and react to it. The app uses gamification to make money management entertaining. Parents also have a positive view and allow their children to use FamPay app since it offers a combination of independence for teens and parental control. Parents can create a group account for their family in the app called Fampool and track when and where the money is spent by their children. FamPay also encourages children to spend their money wisely and save their allowance with FamPay's Save the Streak. It is a saving challenge where the users get a chance to double their savings by maintaining a streak for 10 days by saving a minimum of Rs.10 daily.

Positioning is about creating or building a unique, and specific place for the products and services in the minds of target customers. Fampay is taking the advantage of the current Covid-19 Pandemic where cashless transaction and banking becomes a need for everyone to have good access to banking facilities. An organization can find out whether the marketing strategy they are executing is driving them towards success or failure by looking at and reviewing their user's satisfaction level.

This research paper aims to determine the perception of user's experience with FamPay. This research was conducted on Delhi NCR region of India to find how much parents and teenagers are aware about FamPay and would like to use the app for giving online pocket money to their children for shopping and their experience with the app.

RESEARCH METHOD

Research method is an organized and systematic method to find out answers to the questions of a research. This is a descriptive project of user's perception of their experience with FamPay. The information has been collected from both primary and secondary sources. The main source of data for the study is primary data collected through questionnaire created in Google Forms and distributed through social media sites and WhatsApp.

The convenient sampling method is used in the study. The Sampling units are parents and teenager with the sample size of 100 consisting of parents (50 respondents) and teenagers (50 respondents). Percentages are used in making an analysis of our topic.

RESULTS AND DISCUSSION

The questionnaires were distributed to two different groups of respondents, parents and teenagers. Table 1 and Table 2 below present the summaries.

Table 1. Teenagers' Responses (N=50)

Response	Frequency	Percentage (%)
City		
● Delhi	23	46%
● Ghaziabad	17	34%
● Noida	10	20%
Age		
● Below 13 years old	2	4%
● 13-19 years old	37	74%
● Above 19 years old	11	22%
Gender		
● Male	16	32%
● Female	34	68%
Awareness about FamPay app		
● Yes	26	54%
● No	24	46%

Teenagers using FamPay App		
● Yes	19	38%
● No	31	62%
Teenagers think that their parents will allow them to use FamPay app		
● Yes	33	66%
● No	17	34%
Prefer to use FamPay over Google Pay, Paytm and other UPI apps		
● Yes	22	44%
● No	15	30%
● Maybe	13	26%
Teenagers think FamPay app will give autonomy to pay to them than other UPI Apps in India		
● Yes	16	32%
● No	21	42%
● Maybe	13	26%
Teenagers preferences for doing Cashless Transaction		
● Yes	35	70%
● No	15	30%

Table 1 shows that 50 teenager respondents in the survey, in which 46% respondents live Delhi while 34% and 20% of the respondents live in Ghaziabad and Noida, respectively. A total of 74% respondents belongs to the age group of 13-19 years old, 4% are below 13 and 22% are above 19 years old. Based on the table, there are more females than males.

A total of 54% of the respondents were aware of the existence of FamPay while 46% do not know about FamPay, 38% of the respondents were using FamPay app and 62% were not using FamPay app. FamPay is a start-up and needs to promote its existence in the market. Among the respondents, 66% of them believed that their parents would allow them to use FamPay app while 34% did not.

Besides that, 44% of respondents prefer using FamPay app over Google pay, Paytm and other UPI apps, while 30% of respondents prefer using FamPay app and 26% of them were not sure. Additionally, 42% of the respondents believed that other UPI apps will give more autonomy for doing expenditures than FamPay app does, 32% believed FamPay app will give freedom to pay and 26% were not sure. Furthermore, 70% of the respondents were interested in doing cashless payments and 30% of the respondents did not feel the need for cashless transactions.

Table 2. Parent's Responses (N=50)

Response	Frequency	Percentage (%)
City		
● Delhi	20	40%
● Ghaziabad	19	38%
● Noida	11	22%
Profession		
● Private Job	22	44%
● Government job	9	18%
● Business	19	38%
Aware about FamPay App		
● Yes	27	54%
● No	16	32%
● Maybe	7	14%
Parents using FamPay App		
● Yes	22	44%
● No	28	56%
Parent's preference for FamPay app for giving pocket money to their children		
● Yes	32	64%
● No	18	36%
FamPay App is user friendly or not		
● Yes	24	48%
● No	5	10%
● Maybe	21	42%
Parent's opinion about FamPay app as "A secured payment app" for their children		
● Yes	19	38%
● No	7	14%
● Maybe	24	48%
Satisfied with FamPay Policies		
● Yes	33	64%
● No	17	17%

Prefer using FamPay to Google Pay, Paytm and other UPI apps		
● Yes	29	58%
● No	21	42%
Prefer paying for one-time number less debit card		
● Yes	15	30%
● No	18	36%
● Maybe	17	34%
Preference for doing cashless transaction by their children for expenditures and other things		
● Yes	36	52%
● No	8	16%
● Maybe	16	32%

Table 2 signified that among the 50 parent respondents, 40% of them live in Delhi while 38% and 22% of the respondents live in Ghaziabad and Noida, respectively. A total of 44% of the respondents worked in private jobs, 18% are government employees and 38% are businesspeople.

A total of 54% respondents were aware of FamPay, 32% did not know about FamPay and 14% of them were neutral. In addition, 44% of the parent respondents were using FamPay app while 56% were not using FamPay app.

Among the respondents, 64% of them preferred giving pocket money to their children using FamPay app and 36% did not want to rely on FamPay app. Besides, 48% of them believed that FamPay is a user-friendly app, 10% of respondents believed it is not user-friendly and 42% of them had no opinion about FamPay app.

Additionally, 38% of the respondents believed FamPay app is a secured payment app for their children, 14% of them did not consider FamPay is a secured app and 48% of them were neutral. A total of 58% respondents preferred using FamPay app to Google pay, Paytm and other UPI App, while 42% of respondents did not prefer using FamPay app.

Moreover, 30% of the respondents preferred to pay for a one-time number less debit card, 36% of them did not want to pay and 34% of respondents were not sure. Lastly, 52% of the respondents preferred cashless transactions by their children for expenditures and other things, 16% would not do so, and 32% of the respondents were not sure.

The data above showed that 54% of the teenagers and parents were aware about FamPay App, however only 38% and 44% of the teenagers and parents respectively were using FamPay. This demonstrates the importance of a strong presence in the market through rapid and regular advertisement on social media sites such as Facebook, Instagram, and You Tube. Social media are the right platform to stay connected with their users to inform them about promotions or information they need. FamPay should also promote its app using referral code and other promotional schemes constantly.

Furthermore, it needs to win competition with other UPI apps such as Paytm, Google Pay and other payment apps as they are its biggest competitors. Besides, FamPay needs to build parent's and teenager's trust through promotions and customer satisfaction as a secured payment app for transactions as 38% of parent respondents placed trust for FamPay as a secured Payment app.

CONCLUSIONS

Based on the findings and discussion, this study concluded that FamPay is considered a growing organization as it managed to attract many users within one year after the establishment. It needs to create a strong brand image in the market as only 54% of the respondents are aware about FamPay. Brand image consumer's ideas, belief, and emotions about the brand (Roy & Banerjee, 2007). If users have knowledge of a brand, the company could spend less on brand extension while achieving higher sales (Smith & Whan, 1992). Advertisement is the strong marketing promotional strategy in building brand. Generation Z uses social media for entertainment, to stay current with global events, promote social causes, and to connect with people. Since they spend most of their time on social media platform, it is the right platform to market FamPay's product and services. Brand image is the important factor in the growing number of loyal customers. According to Allsop, Bassett, and Hoskins (2007), loyalty, retention, and user satisfaction are vital for businesses to produce business recommendation with word-of-mouth (WOM) which serves as an awesome force of marketing by spreading details to others of their complimentary experiences as users.

FamPay needs to build target audience's confidence and trust to use the app. FamPay, during this Covid-19 pandemic, has been critically affected the whole world. People have now opted for contactless digital payment and FamPay's numberless card that everyone has also can be accessed from the FamPay app which makes it easier for them. Chen and Wang (2016) explained that "the digital payment (e-payment) is an electronic wallet that contains account information and security that is typically within the sort of a sensible card and used to make transactions".

With this, marketing strategy is the key to an organization's success, FamPay, a growing organization, focuses on teenagers and young adults. It is really a successful strategy as the teenagers have mostly been ignored by the traditional banking system. The data above showed 66% of the teenager respondents believed that their parent allowed them to use FamPay app and 64% of the parent respondents preferred giving pocket money to their children by FamPay app. A number of 64% of the parent respondents were satisfied with FamPay policies. An organization that has a good marketing strategy will achieve high user satisfaction, since the organizations recognize the needs and wants of their target users and they provide them. FamPay offers a solution by creating this financial app. In conclusion, this application highly will improve the digital financial awareness of teenagers and help them in paying or receiving money more easily and quickly.

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