

A Study on Consumer's Perception Regarding Unified Payment Interface (UPI)

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Abstract

In India, digital payment transactions have grown at an unparalleled rate during the past three years. India has emerged as a leader in digital payment innovation. The Unified Payment Interface (UPI) is a widely used mobile payment technique that enables users to send money immediately and for free across bank accounts. Since its launch, UPI has greatly simplified financial transactions for account holders. In this study, an attempt is made to examine the perception and adoption of UPI by consumers in Sabarkantha district of north Gujarat region. The research instrument for data collection of this study is structured questionnaire which was distributed to 120 users of UPI in Sabarkantha district out of which 107 responses were collected used for data analysis. Convenience sampling method was used for analysis of data by using simple percentage analysis, chi-square test, independent T-test, and One-way ANOVA. Based on perception of respondents, it was found that Majority male respondents are graduate and belongs to 20 to 30 younger age. Simple percentage analysis reveals that most of the consumers prefer phonepe mobile application for UPI on daily basis. Additionally, there is a significant correlation between respondents' age and gender and their use of UPI services.

Keywords: UPI, Perception, Consumer, Digital payment

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1. Introduction

The last few years have seen a noticeable technological transformation in Indian government. Today, last-mile delivery may be completed in a matter of seconds with a mouse click thanks to the gradual and steady integration of government services. The Government of India's plan to digitise the financial industry and economy has resulted in a steady increase in digital payment transactions over the past few years. Achieving "Faceless, Paperless, Cashless" status is one of Digital India's main goals. The Indian government has given the development of digital payments top priority in order to formally integrate digital payment services into every sector of the nation. In India, digital payment transactions have grown at an unparalleled rate during the past three years. Prepaid payment instruments (PPIs), the National Electronic Toll Collection (NETC) system, the Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), the Immediate Payment Service (IMPS), and other simple and convenient digital payment methods have all experienced significant growth and have changed the digital payment ecosystem by increasing both P2P and P2M payments. Simultaneously, established payment methods including credit cards, debit cards, Real-Time Gross Settlement (RTGS), and National Electronic Funds Transfer (NEFT) have experienced rapid expansion. Users' preferred method of payment is now BHIM-UPI. The Reserve Bank of India (RBI) oversees the Unified Payments Interface (UPI), a digital and real-time payment system created by the National Payments Corporation of India (NPCI). Since its launch on April 11, 2016, UPI has grown to be the most widely used payment mechanism in the nation. Between 2023 and 2028, it is anticipated to process 90% of all retail digital payments. The Unified Payment Interface (UPI) is a widely used mobile payment technique that enables users to send money immediately and for free across bank accounts. Since its launch, UPI has greatly simplified financial transactions for account holders. Each user using UPI to transfer money must have an ID, known as a UPI ID. When sending and receiving money between banks, a bank account's UPI ID serves as a unique identification. In UPI payment apps like Paytm, the user can omit entering the UPI ID of the recipient. To transmit money via UPI, the user only needs to enter the recipient's contact number or choose the recipient from his or her phone book. Using the recipient's UPI ID, mobile number, QR code, or Virtual Payment Address-UPI streamlines transfers in

contrast to conventional methods by doing away with account numbers. Cross-app interoperability is improved and round-the-clock transactions are made possible with a uniform UPI transaction PIN. In addition, this payment option links banks, retailers, and customers for quick transactions by acting as an open-source API for a number of mobile payment apps. Driven by e-commerce, consumer behaviour, progressive government initiatives, and the global pandemic, India has emerged as a leader in digital payment innovation. The epidemic was not the sole force behind the rise of digital payments in India. India has been experiencing a steady acceleration in its digital trajectory. Prior to the pandemic, India had the world's highest fintech adoption rate in 2019.

By 2025, the digital payments sector in India is expected to have grown to a magnitude greater than 300% of its current size. Given the size of the unbanked population in India in the past, the growth trajectory of digital payments is remarkable. In order to make the digital payment experience as easy and safe as possible, India's digital payments sector is leveraging solutions from banks, fintech companies, and the government.

2. Literature Review

(**G.Sankararaman, S.Suresh, 2021**) Carried out a research to investigate the respondents' awareness of, frequency of usage of, and volume of transaction issues when utilizing UPI in Chennai City. A structured questionnaire was used to collect 119 samples for the descriptive study design. The sample collection method used was convenience sampling. Chi-square analysis and one-way ANOVA have been used to analyse the data. The results of the chi-square analysis indicated that there was a significant correlation between the respondents' age and their degree of satisfaction with UPI usage. The results of One-way ANOVA revealed frequency of UPI usage among the respondents' different ages categories showed a significant change.

(**K. Suma Vally and K. Hema Divya, 2018**) In their study, they examine how widely consumers have adopted various digital payment methods. In Hyderabad, 183 respondents submitted primary data. The chi-square approach was employed for statistical analysis of the data gathered via the questionnaire. Because cashless

transactions are being made, banking services are becoming more efficient and quick as a result of technology innovation. Banks are implementing initiatives to encourage digital payments and the usage of technology.

(Dr. C. Poorna Pushkala, 2021) Evaluate the public's awareness and satisfaction level with the unified payment interface, the factors that influence their choice of digital payment method, and the extent to which the UPI has been adopted by the money transfer system. Using a suitable sample strategy, 75 respondents in the Ambasamudram area provided primary data. Kendall's coefficient of Concordance and the f-test were used in a statistical analysis of the data gathered through the questionnaire. Here, the respondents' gender has been taken into account in order to investigate the extent of UPI payment usage as well as different problems and difficulties found when using UPI. Even though UPI has several drawbacks, it is still a more popular payment option due to its simplicity and ability to provide a single interface for all NPCI systems in addition to fostering interoperability and improved.

(Tungare, 2019) Aimed to investigate how the Indore region's service sector's customers perceived the use and awareness of UPI systems. Initial data was collected via a standardized questionnaire. Frequency analysis, Independent T-test, and Cronbach's Alpha test have all been used to analyse the data. The final result analyses the gender, age, and occupation data of customers to determine the awareness and acceptance of UPI. The study came to the conclusion that consumers in the service sector are more inclined to embrace UPI, and that there are notable differences between male and female consumers' attitudes regarding UPI adoption and use.

(Shailesh Rastogi, 2021) Conducted research on the effects of UPI's digital innovation on financial inclusion and economic growth. To collect the data for the study, an interval scale structured questionnaire was given out. Between July and December of 2019, a total of 500 respondents were approached using the traditional non-probability sampling method. The Indian state of Maharashtra provides the data, which has been collected from rural and semi-urban areas. In order to determine the relationship, the path evaluation of the essential construct is investigated using structured equation modelling. It has been discovered that UPI has an effect on financial literacy. The study's key finding is that UPI provides assistance to individuals

in multiple ways. It contributes to financial inclusion in addition to enhancing financial literacy.

(DEVI.E, 2022) Ascertain how customers perceive about UPI and evaluate their degree of satisfaction with the service, in addition to using primary and secondary sources for collecting the data, the researcher also analysed and interpreted the data using T-test, One-way ANOVA, frequency distribution, mean, and factor analysis. According to this study, there has been a positive response and a more optimistic customer view of the unified payment interface. Nonetheless, a significantly smaller portion of the general population lacks technical understanding of usage and encounters numerous other issues related to transaction failure.

(Sathish, 2023) The purpose of their study is to ascertain Thoothukudi city's customer satisfaction, perception, and awareness of UPI. Both primary and secondary data have been collected through the use of a simple method for sampling. The study used a descriptive and analytical research design. The Chi-Square test analysis instruments. This study shows that consumers find out unified payment interface services favourably and that there is a connection between respondents' levels of education and their use of UPI services. People with better education have a higher propensity to use UPI services. The adoption of UPI services was also made easier by the rise in smartphone users and the area's internet penetration. Additionally, this identifies a few issues that users of UPI services suffer.

To check the significant difference in adoption of UPI system among the male and female customers. Independent sample T –Test was conducted:

H₀₂: There is no significant difference in adoption of UPI system between the male and female customers.

Table-4.6.1 Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Use	Male	93	1.0000	.00000	.00000
	Female	57	1.3333	.47559	.06299

(Source: Primary data)

Table no 4.6.1 represents group statistics of male and female customers. It presents mean score and standard deviation.

Table-4.6.2 Independent sample T-Test

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
use	Equal variances assumed	621.421	.000	-5.502	105	.008	-.34196	.371	-.43392	-.23151
	Equal variances not assumed			-4.710	54.741	.004	-.34159	.541	-.45319	-.20182

(Source: Primary data)

Table no 4.6.2 represents the Independent sample T-Test regarding the significant difference in adoption of UPI system between the male and female. It was found that out t value is 5.502 and the P value is 0.000 Thus, we reject the null hypothesis and accepts the alternative hypothesis and conclude there is a significant difference in adoption of UPI system among the male and female customers, where the usage is more common among male than females.

4.7 One-way ANOVA (Adoption of UPI system among different age groups)

To check the significant differences in adoption of UPI system with respect to Age, one way ANOVA test was conducted.

H₀₃: There is no significant difference in adoption of UPI system between different age groups.

Table-4.7 One-way ANOVA:

ANOVA							
		Sum of Squares	df	Mean Square	F	Sig.	Result
Adoption of UPI system among different age groups	Between Groups	0.661	2	.163	378.551	.002	Significant
	Within Groups	11.024	103	.105			
	Total	11.685	106				

(Source: Primary data)

Table no 4.7 represents the one-way ANOVA test regarding the significant differences in adoption of UPI system with respect to Age. It was found that F value is 378.551 and the P value is 0.002 which has significant difference in adoption of UPI system with respect in respect to Age as their significance value is less than 0.05 Thus, we reject the null hypothesis and accept the alternative hypothesis and concludes there is significant difference in adoption of UPI system between different age groups. UPI services usage is higher among customers who belong to the age group of 21 to 30 years of age.

5. Findings

- It was found that majority 57.94% respondents are male.
- From the total respondents it was found that highest qualification of respondents is graduate 66.36%.
- From the total respondents it was found that 46.73% respondents belong to age group of 21 to 30.
- It was found that majority 42.06% majority respondent's monthly income is up to Rs.15000.
- From the total respondents it was found that 54.21% respondent's uses UPI on daily basis.
- It was found that majority 42.06% respondents use Phonepe mobile application for UPI.

- Majority respondent's face network problem while using Unified Payment Interface (UPI).
- Chi-square test concludes that there is a significant difference of Consumer perception towards UPI.
- Independent sample T-Test concludes significant difference in adoption of UPI system among the male and female customers, where the usage is more common among male than females.
- One-way ANOVA reveals significant difference in adoption of UPI system between different age groups. UPI services usage is higher among customers who belong to the age group of 21 to 30 years of age.

6. Limitations of the Study:

- The sample size of study is only limited to 107 respondents.
- The area of the study is limited to Sabarkantha district of Gujarat only.

7. Conclusion

The Unified Payment Interface (UPI) is a widely used mobile payment technique that enables users to send money immediately. In this study an attempt is made to examine the perception and adoption of UPI by consumers in Sabarkantha district of north Gujarat region. From analysis it was found that Majority male respondents are graduate and belongs to 20 to 30 younger ages. Simple percentage analysis reveals that most of consumer prefers phone pe mobile application for UPI on daily basis. Of Smartphone and internet penetration in such area also facilitated the adoption of UPI services. Some of the problems faced by customers while using UPI are also identified from this study and most of consumer faces network problem while using UPI. Chi-square test concludes that there is a significant difference of Consumer perception towards UPI. Independent sample T-Test concludes significant difference in adoption of UPI system among the male and female customers. One-way ANOVA reveals significant difference in adoption of UPI system between different age groups. Customers are clearly in favour of using the UPI payment method because it is convenient, and they believe that security breaches can be minimized with user education. Additionally, there is a significant correlation between respondents' age and gender and their use of UPI services, with men and younger respondents being more likely to do so.

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