

An Analysis On The Consumers Perception Towards Upi (Unified Payments Interface)

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1. INTRODUCTION

Although the Internet began to advance in popularity among the general public in 1994, it took approximately four years to develop the security protocols (for example, HTTP) and DSL which allowed rapid access and a persistent connection to the Internet. In 2000 the meaning of the word ecommerce was changed. People began to define the term ecommerce as the process of purchasing of available goods and services over the Internet using secure connections and electronic payment services.

Ecommerce allows consumers to electronically exchange goods and services with no barriers of time or distance. It has expanded rapidly over the years and is predicted to continue at this rate, or even accelerate. In the near future the boundaries between "conventional" and "electronic" commerce will become increasingly blurred as more and more businesses move sections of their operations onto the Internet.

1.1 Origin and Development

1.1.1 Origin:

The rise of internet companies in India started in the mid-1990s. The first Indian internet companies mainly featured online classifieds, matrimonial and job portals. The low penetration of internet, lack of awareness and lack of development and confidence in online payment systems were reasons for Indian internet companies not actively engaging in e-commerce. It was only in the mid- 2000s, after the dot com bubble burst that e-commerce industry in India started to take off. The first e-commerce services available were mainly offered in the travel industry. With the proliferation of low-cost carrier airlines, ticket offering started to be made online.

The evolution of e-Commerce in India can be broadly divided into two phases based on the emergence of various sub-segments.

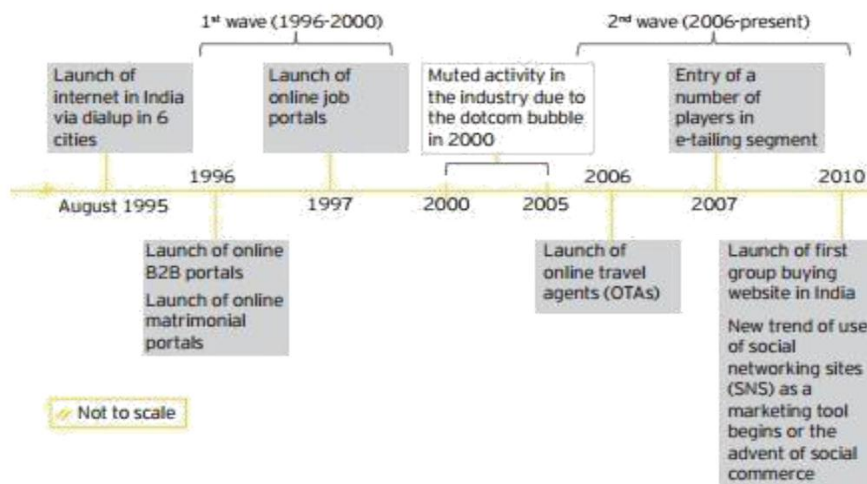


Figure 1.1

1.2 Developments

In 1991 e-commerce became a hot choice amongst the commercial use of the internet. At that time nobody would have even thought that the buying and selling online or say “The online trading” will become a trend in the world and India will also share a good proportion of this success.

India first came into interaction with the online E-Commerce via the IRCTC. The government of India experimented online strategy to make it convenient for public to book the train tickets. Hence, the government came forward with the IRCTC Online Passenger Reservation System, which for the first time encountered the online ticket booking from anywhere at any time. This was a boon to the common man as now they don't have to wait for long in line, no issues for wastage of time during unavailability of the trains, no burden on the ticket bookers and many more.

The advancements in the technology as the years passed on have been also seen in the IRCTC Online system as now one can book tickets (tatkal, normal, etc.) on one go, easy payments, can check the status of the ticket and availability of the train as well. This is a big achievement in the history of India in the field of online E-Commerce.

2 ABOUT UPI

India has taken a major step towards achieving a cashless economy with the advent of the **Unified Payment Interface (UPI)**. The new payment model allows you to use your smartphones as a virtual debit card. It has also made possible the sending and receiving of money instant. The concept of QR code has eliminated the usage of digital wallets altogether.

Advancement in technology has changed the system of payments in India. Post Demonetization period (After 08 November 2016), has played an important role in the growth of digital payments in India. Also, cashless transaction has been extensively pushed by Prime Minister Mr. Narendra Modi as part of government reforms. The number of digital transactions stood at about 11.8 billion for the first six months of this financial year, according to calculations based on data from the Reserve Bank of India and the National Payments Corporation of India. This market of digital payments highly effected by a smart tool known as smart phones, this has become a key component of people's personal, professional and financial online life. Smart phone ecosystem made it very easy to inculcate the use of various application/technology in our day today life. Easy availability of internet

connection, one touch access, secures financial transaction influence the adoption of one touch payment. Thus to optimize this benefit of smart phone and technology and to develop a platform for cashless and transparent financial transactions the Government of India developed one significant product ,the “UPI” (Unified Payment Interface). UPI is a simple payment tool created by NPCI that is based on IMPS system. UPI can operate on a smart phone and it works as an email ID for money. It facilitates virtual Payment address (VPA: A VPA is an ID, which a user creates by linking their accounts to a bank’s mobile application) as a payment identifier for sending and collecting money and works on single click.

2.1 What is UPI?

UPI is a single platform that merges various banking services and features under one umbrella. A UPI ID and PIN are sufficient to send and receive money. Real-time bank-to-bank payments can be made using a mobile number or virtual payment address (UPI ID).

2.2 Who initiated UPI?

UPI is an initiative taken by the National Payments Corporation of India (NPCI) together with the Reserve Bank of India and Indian Banks Association (IBA). NPCI is the firm that handles RuPay payments infrastructure, i.e. similar to Visa and MasterCard. It allows different banks to interconnect and transfer funds. Immediate Payments Service (IMPS) is also an initiative of NPCI. UPI is considered as the advanced version of IMPS.

2.3 What is UPI ID and PIN?

A UPI ID is a unique identification for a bank account that can be used to send and receive funds. UPI PIN is a 4-digit personal identification number that must be entered to authorise the transfer of money via UPI. The PIN can be chosen by the account holder.

2.4 How does UPI work?

UPI has made the money transfer process a lot easier. You do not have to remember the receiver’s account number, account type, IFSC, and bank name. Instead, you can do the money transfer only by knowing their Aadhaar number, mobile phone number registered with the bank account, or UPI ID. You can set up UPI ID on one of the apps that support UPI service. Mostly, a UPI ID begins with your mobile number followed by ‘@’ symbol and ends with the app you are using. For example, if your mobile number is 90xxxxxx60 and if you are using Paytm app, the UPI ID can be ‘90xxxxxx60@paytm’. The ID can be set up by providing the details of your bank account on the app. The app will send an OTP to your registered mobile number to make sure that you are an authorised person. Once you enter the OTP, you will be prompted to create a PIN for the UPI ID. Upon completing the registration, you can choose any mobile number from your contacts and send money. You can also request money from anyone on your contacts list.

2.5 Origin of UPI

A cashless economy is the desired state in many countries around the world. While there are opposing school of thoughts, both endorsing and retaliating against the construct of a cashless society in somewhat equal measure, one cannot deny the revolutionary capabilities UPI has granted the citizens of India. Moving money from one bank to another, something people need to do on a regular basis, has never been easier. According to multiple reports, including ones from the National Payments Corporation of India, the numbers suggest that Indians are embracing digital transactions like never before. While a major amount of credit for this

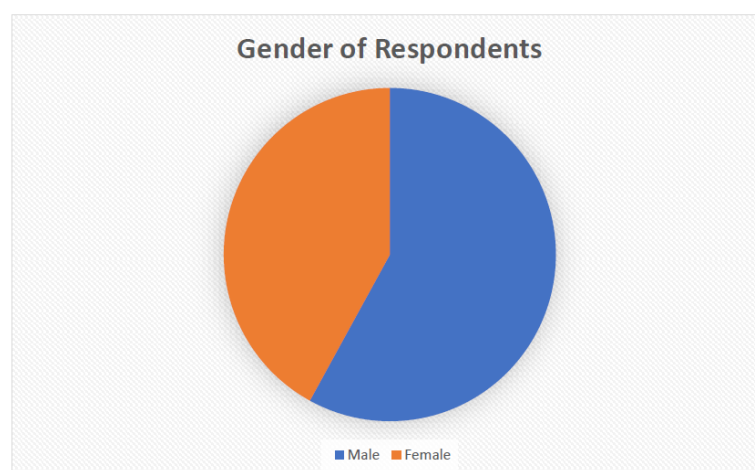
development can be bestowed upon demonetization, invoked by Prime Minister, Narendra Modi way back in November 2016, UPI has certainly made the transition to digital payments, especially amongst the masses, much easier.

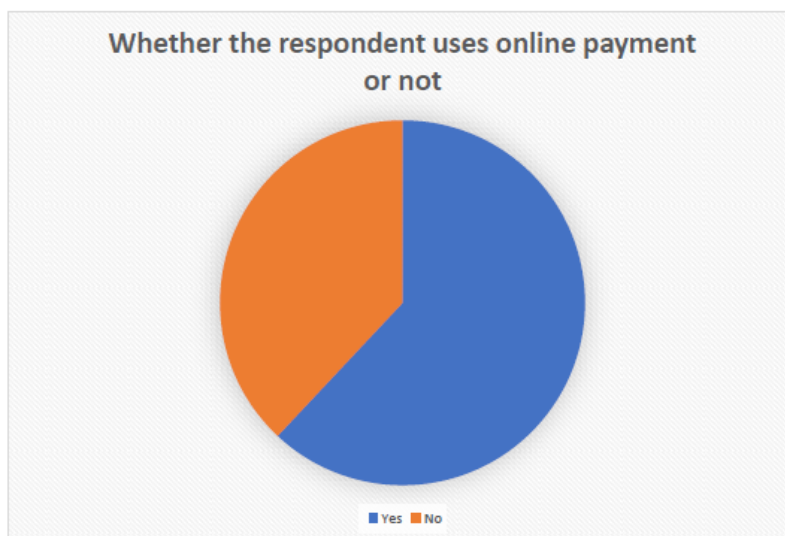
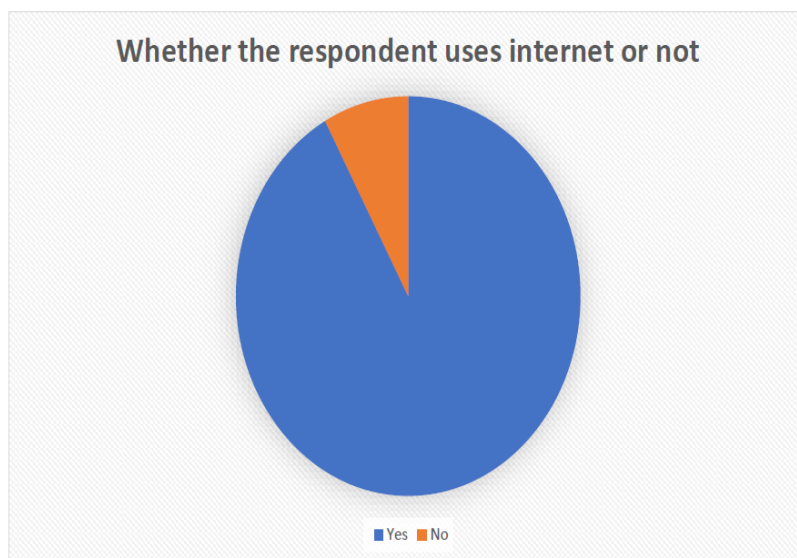
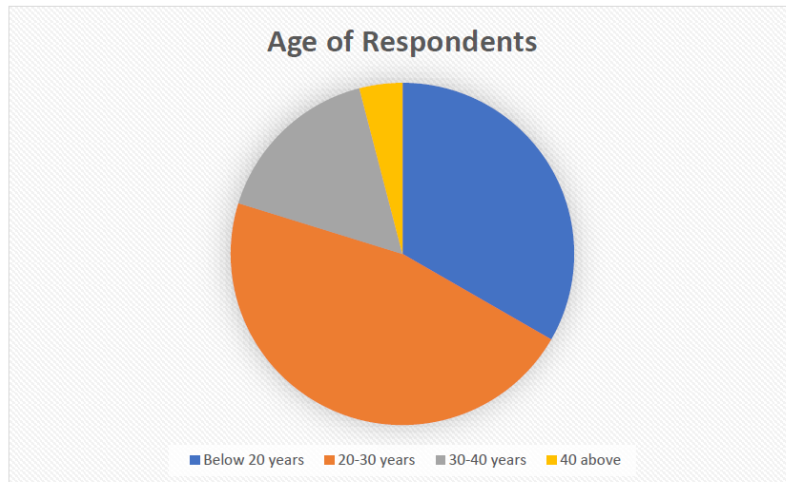
3. LITERATURE REVIEW:

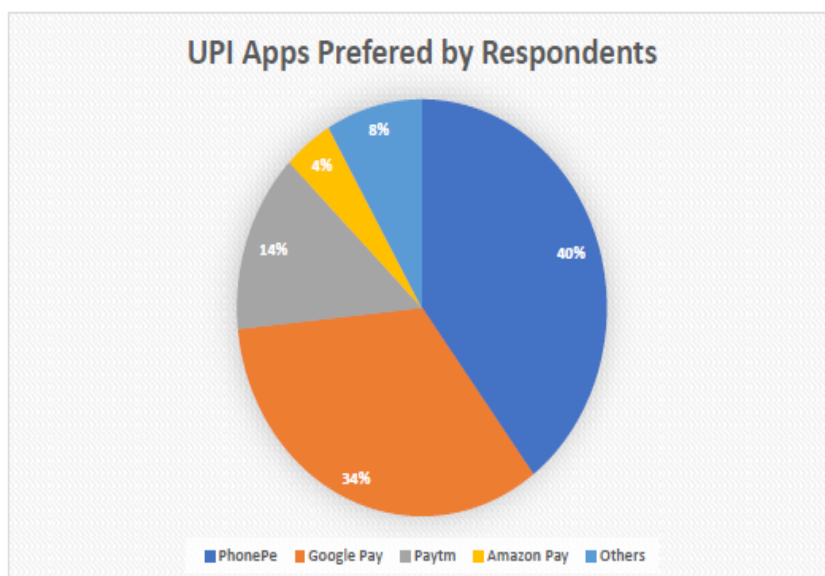
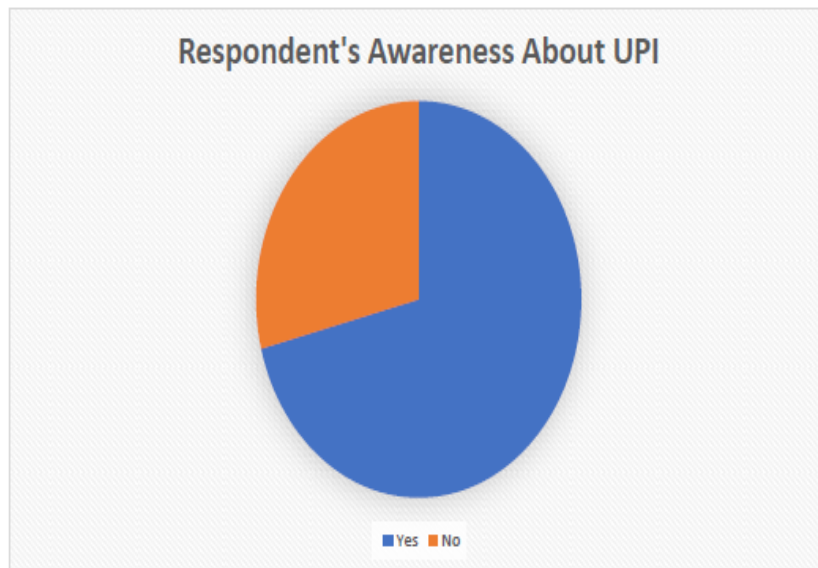
- Babita Singla, Manish Bansal (2015) in their research found that the shoppers are happy with plastic use, and the non-platinum card clients are fascinated to utilize the card for buys and mean to utilize the card in not so distant future. However, the banks and other financial institutions are motivating the use of plastic card.
- Khuram Shafiq and Khalil Ahmad (2015) Is plastic Money Matter for Consumer Buying Behavior? This examination gives the affirming data since buyers feel good in spending through plastic cash as easy access of money, no cash carrying risks and reward shopping are the major factors that plays important role behind it.
- Rouibah (2015) showed that poor security, lack of trust, fear of failure, high charges and poor familiarity were the major constraints that affected payments. Besides, security features of internet, banking facilities, privacy and quality of services were also affecting adoption of epayments.
- Rathore (2016) stated that digital payment using wallet was highly convenient for consumers in purchasing products through online without physical movements across places.
- Dr. Stitch Shewta Rathore (2016) "Appropriation of Cashless transactions By Consumers" her investigations disclose to us computerized wallets are rapidly getting to be standard method of online installment. Customers are embracing advanced wallets at end unfathomably quick pace, to a great extent because of comfort and convenience.

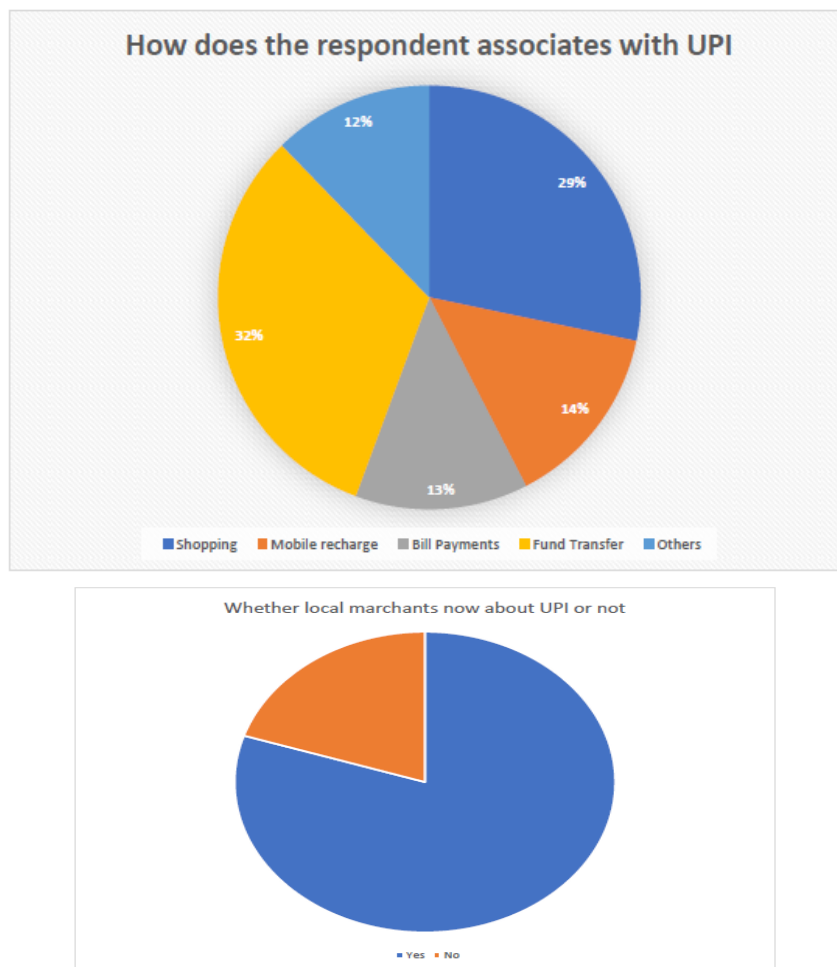
4. GRAPHICAL REPRESENTATION

The aim of this research paper is to analyse the usage of UPI by users. In order to reach the aim a structured questionnaire was sent to 230 smart phone users who use UPI for online payment. The respondents were categorized on the basis of, age, Frequency of usage, Purpose of usage and average monthly spending by using UPI. Out of 230 people only 151 responded to the questionnaire. This research used descriptive method in order to get the statistic result from respondents.









4.1 Data Analysis and Interpretation

Showing awareness regarding the functionalities of UPI:

	No of responses (in percentage)
Fully Aware	63
Partially Aware	37

Table No. 4.1

1. Interpretation: More than 50% users are partially aware about the functionalities of UPI. The main reason behind this partially awareness is the ineffective way of advertisement and guiding support.

Showing the major purpose of using of UPI:

Purpose	Responses (In%)
Mobile Recharge	15
Fund Transfer	34
Bill Payment	14
Shopping	30
Other	13

Table No. 4.2

2. Interpretation: One of the major purposes of using UPI is Recharges as 50 respondents use this service and the money transfer and bill payments services are also highly used by respondents rather than others.

Showing the devices use for UPI transactions:

Application Name	Responses (In%)
PhonePe	42.5
Google Pay (Tez)	36
Paytm	14.9
Amazon Pay	4.6
Others	9

Table No. 4.3

3. Interpretation: Out of the 2.3 billion transactions, Walmart subsidiary PhonePe had share of 42.5 percent and GooglePay a share of 36 percent. It was the third month in a row that PhonePe topped the list after it had passed GooglePay in December 2020 for the first time. Third big player is Paytm with a share of nearly 15 percent.

Showing the review regarding problems faced while using UPI:

Problems	Number of Responses(in %)					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
Security of mobile payment	13	32	38	14	03	100
Too much time consumption to Setup	02	15	47	32	04	100
Involve danger of losing money	06	29	19	35	11	100
Failure in transaction gateway	09	37	32	18	04	100
Security of banking information	14	26	32	21	07	100

4. Interpretation: Majority of respondents feels that there is no such kind of problems while dealing with UPI but some respondents are claimed that they facing problems regarding security of mobile payments (13+32=45 respondents), huge set up time (2+15=17 respondents), danger of losing money (6+29= 35 respondents), failure in transaction (9+37=46 respondents) and less security of bank information (14+26=40 respondents).

5. FINDINGS

The findings of this research are as follows:

1. Maximum number of people associate UPI with fund transfer, mobile recharges or cashbacks.
2. Women are more rigid when it comes to accepting new technological changes.
3. The age of the respondent does not affect their getting enrolled with UPI. People between the age bar of 20-50 are more likely to get enrolled if they have been convinced properly and realize some advantage.

4. A respondent using UPI daily is not majorly affected by cashback. Cashbacks alone cannot be considered as a factor affecting/motivating consumer to use UPI on a daily basis.

6. RECOMMENDATION AND CONCLUSION

UPI developed the m-payment technology by facilitating mobile phone to be used as a main payment device for giving and accepting payments. In contrast to all of payment systems it can be say that UPI is the most advanced payment system in the world. UPI payment system allows money transfer between any two bank accounts by using a smart phone. It allows a customer to pay directly from a bank account to different merchants, both online and offline, without the hassle of typing credit card details, IFSC code, or net banking/wallet passwords. It aims to simplify and provide a single interface to money transfers easy, quick and hassle free. These features of UPI motivate the respondents of service sectors to adopt the tool and the above study revealed that there also a significant difference found between the gender towards the adoption of UPI. The use of smart phones, the availability of an online verifiable identity, universal access to banking and the introduction of biometric sensors in phones will proactively encourage UPI Transactions and findings revealed that the respondent has positive attitude towards the UPI transaction for ushering in a less-cash society in India.

In order to build a strong user base UPI needs to build up trust among people by being transparent and making itself more visible and transparent. UPI must take in notice certain points which were prominently noticed after talking to a few people in Titilagarh markets:

1. It must advertise more and must focus on word of mouth publicity. It is both a constructive mean as well as a destructive tool if not used properly. India is an emotional and sentimental country UPI needs not only target the Indian mentality of “we accept whatever comes free” rather it should try to get attached to the country’s sentiments if it wants to plant itself in India.
2. Special focus is needed on the user needs i.e. the ease and comfort of consumer must be a priority so that the user feels connected and can trust the service.
3. Cash backs on some regular categories must be more or less constant because the cash backs which keep on appearing today and vanishing the next day effects the low-income group customer a lot they do not appreciate complexity as they fail to understand it and UPI is wanting to target the lower vertical so it has to be user friendly by all means.
4. UPI needs a series of survey to understand the needs of the customer their fears and reason of latching out the techno- base brands and later on cater to all those needs to get an upper edge over competitors i.e. Net banking , PayPal etc. .

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