A Study of Customer Preference And Satisfaction of UPI Payments With Special Reference To Coimbatore

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Abstract- *Last few years has seen tremendous growth and use of UPI payment mode in India. The growth in UPI was especially after the Demonetisation announced by the Prime Minister of India in 2016. "Digital India" was a initiative introduced by the Government of India for transparencies and quick services for the people of India. Digital India initiative increased the use of smartphones and internet services which resulted in direct increase in use of digital payments. Digital Payments helps in creating transparent and sound digital transactions and to create a cashless Economy. The Objective of this paper is to study the customer preference and satisfaction about UPI payment service. The present research paper focuses on the users of UPI apps in Coimbatore city.*

Keywords- UPI app , cashless transactions, Digital payments, customer satisfaction

I. INTRODUCTION

UPI means Unified Payment Interface. Unified Payment Interface is a system that powers multiple bank accounts into a single mobile application of any participating bank merging several bank features , seamless fund routing and merchant payments into one hood. It is a single window mobile payment system that was developed by the National Payments Corporation of India (NPCI).There is no need to enter bank details and other sensitive information every time a customer initiates a transaction. The Unified Payment Interface is a real time payment system designed to enable peer to peer to interbank transfers through a single two-click factor authentication process. Reserve Bank of India regulates the interface of UPI.

UPI was first launched in 2016. It was driven by the National Corporation Payments of India (NCPI) was launched by 21 member banks from Raghuram G. Rajan, then RBI governor. Everybody that use digital methods of transferring money was the target audience of UPI. In the financial year (FY) 2021-2022, the Unified Payments Interface (UPI) processed Payments worth $1.09 trillion or approximately 83.45 lakh crore, which has dramatically increased compared to FY 2021 it has processed 45 billion transactions or 41.03 lakh crore. UPI achieved another significant milestone in March 2022 , it processed 5.04 billion transactions for the first time which was a growth of over 7 per cent compared to February. In a year's time both the number and value of transactions has doubled on UPI, and has seen a increased popularity over the payments system. It is due to the covid pandemic and growing adaption of digital payments in the country has seen UPI being used by large number of people Around 60% of the India's retail payments are done through UPI. UPI account for large number of low value transactions recorded less than 200 and remains the preferred choice, according to NPCI's assessment.

In the next 3-5 years it is being projected that UPI would be processing 1 billion transactions a day and a number of initiatives have been introduced to achieve that. RBI has made a announcement for feature phones to access UPI without internet connection to boost the payments system to more than 40 crore individuals who has such kind of devices which will expand digital financial inclusion and increase the number of transactions made on the UPI.

II. REVIEW OF THE LITERATURE

1. **Radhika Arora** (March 2016) concluded that digital payments will be staying longer since the number of users of smartphones in India is increasing steadily. Increase in number of young users using digital Payments only the number of digital transactions especially UPI has been increasing.
2. **Pragya Chawla, Arun Singhal & Pawan Bajaj** (October 2019) concluded that despite all the initiatives by the Government ,the cash & cards remained the most preferred payment mode on an average. Awareness needs to be spread especially in the field of UPI, even though usage of digital payments has increased by manifolds in all age groups.
3. **Sukanya, Subbulakshmi** (May 2021) concluded that customers are satisfied with the service of UPI application. Improvements in service stratigies has to be made by the developers to increase the customer satisfaction.

4. **Anjali , Suresh** (2019) stated that BHIM application is one of the great move by the government of India for instant bank to bank transaction and it is being accepted and used extensively by a large number of people in India.
5. **Singh** (2017) Concluded That There Was Significant Difference Between Education Of Consumers And Adoption Of Digital Payment. The Perception Of Consumers For Digital Payment Had Positive And Significant Effect On Adoption Of Digital Payment Among Consumers.

III. STATEMENT OF THE PROBLEM

This research paper aims to find out the problems and issues related to the UPI people face while initiating a transaction. It is also seen that customers are unable use the UPI service at shops due to network or Bank server problems and eventually they have to pay with paper cash. There is still amount of people find disappointment with the UPI service. This research paper focuses on to identify and how to overcome these problems.

IV. OBJECTIVES OF THE STUDY

1. To determine the customer attitude and preference towards UPI payment system.
2. To identify the customer satisfaction towards the UPI payment system.
3. To identify the problems faced by the customers in UPI Payments mode.
4. To provide suggestions to improve the satisfaction of customers towards UPI.

V. RESEARCH METHODOLOGY

The main objective of this paper is to study about the customer satisfaction about the UPI payment system. This study was conducted in and around Coimbatore city. The present is based on primary data and it was collected from research questionaire through Google forms and the secondary data was collected from case study, journals and websites. In this research, the random sampling size was adopted for analysis.

Sample size :

The questionnaire was circulated to the people in and around Coimbatore through social media and emails. A valid 101 responses was collected for this study.

VI. ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

The Simple percentage analysis tool is used for analysing and interpreting the data collected from the people through the research questionaire.

Table no.1.1

Characteristics	Frequency	Percentage (%)
Before Demonetisation	17	16.8
After Demonetisation	84	83.2

Source: Primary data

The above table no.1.1 interprets that 83.2% of people started using UPI after demonetisation and only 16.8% of people were using UPI before Demonetisation

Table no.1.2

Characteristics	Frequency	Percentage (%)
Traditional Method	9	8.9
UPI	85	84.2
Internet Banking	7	6.9

Source : Primary data

The above table no.1.2 interprets that 84.2% of the people prefer most the UPI payment mode. 8.9% of the people prefer the traditional mode of payment and 6.9% of people prefer the internet Banking.

Table no.1.3

Characteristics	Frequency	Percentage (%)
Daily	27	27.3
Once in two days	49	49.5
Once in a week	16	16.2
Once in a month	7	7.1

Source : Primary data

The above table no.1.3 interprets that 49.5% of the people use UPI atleast once in two days, 27.3% of the people use UPI daily, 16.2% of the people use UPI atleast once in a week and 7.1% of the people use UPI atleast once in a month.

Table no.1.4

Characteristics	Frequency	Percentage (%)
Rs.1 - Rs.10,000	27	26.7
Rs.10,000 - Rs.20,000	26	25.7
Rs.20,000 - Rs.30,000	42	41.6
Above Rs.30,000	6	5.9

Source : Primary data

The above table no.1.4 interprets that 41.6% of the people transact between Rs.20,000 - Rs.30,000; 26.7% of people transact between Rs.1 - Rs.10,000; 25.7% of people transact between Rs.10,000 - Rs.20,000 and 5.9% of people transact between above Rs.40,000 on an average in a month.

Table no.1.5

Characteristics	Frequency	Frequency (%)
Google pay	62	61.4
Phonepay	27	26.7
Paytm	9	8.9
Bhim UPI	2	2
Others	1	1

Source : Primary data

The above table no.1.5 interprets that 61.4% of the people prefer Google pay app, most, 26.7% of the people prefer Phonepay app, 8.9% of the people prefer Paytm app, 2% of the people prefer Bhim UPI app and only 1% of the people prefer other third party apps.

Table no.1.6

Characteristics	Frequency	Percentage (%)
Sending Money	90	89.1
Checking Balance	46	45.5
Scan & Pay	65	64.4
Online Payments & Recharges	59	58.4
Booking online tickets for Movies	26	25.7

Source : Primary data

The above table no.1.6 interprets that 89.1% of the people use sending Money feature most, 64.4% of the people use scan & pay feature, 58.4% of the people use online Payments & Recharges feature, 45.5% of the people use checking Balance and 25.7% of the people use Booking online tickets for Movies.

Table no.1.7

Characteristics	Frequency	Percentage (%)
Transaction failed or delayed	68	73.1
Not able to link Bank account	26	28
Queries not being solved	17	18.3
Cashback not received	40	43
Not able to change pin	14	15.1

Source : Primary data

The above table no.1.7 interprets that 73.1% of the people face transactions delayed or failed most, 43% of the people face cashback not received probelm, 28% of the people face the problem of not able to link Bank account, 18.3% of the people face queries not being solved and 15.1% of the people face not able to change pin problem.

Table no.1.8

Characteristics	Preference	Frequency	Percentage(%)
To understand the information	Very easy	77	76.2
	Easy	20	19.8
	Not so easy	2	2
	Difficult	1	1
	Very Difficult	1	1
To find UPI enabled store	Very easy	64	63.3
	Easy	22	21.8
	Not so easy	13	12.9
	Difficult	1	1
	Very Difficult	1	1
The procedure of registration	Very easy	66	65.3
	Easy	29	28.7
	Not so easy	3	3
	Difficult	2	2
	Very Difficult	1	1
To make transaction	Very easy	72	71.2
	Easy	20	19.8
	Not so easy	4	4
	Difficult	4	4
	Very Difficult	1	1
To scan & pay at UPI enabled store	Very easy	72	71.2
	Easy	20	19.8
	Not so easy	3	3
	Difficult	3	3
	Very Difficult	3	3

Source : Primary data

The above table no.1.8 interprets that 76.2% finds easy to understand the information, 63.3% of people find the UPI enabled store easily, 65.3% of people finds easy to make registration, 71.2% of people make transaction easily and 71.2% of people finds it easy to scan and pay at UPI enabled store. However a certain people finds it difficult to use these

features and it is important to make the procedures and transactions easy and understandable to more people.

Table no.1.9

Characteristics	Satisfaction	Frequency	Percentage (%)
Faster Transaction	Highly Satisfied	79	78.2
	Satisfied	18	17.8
	Neutral	4	4
	Dissatisfied	-	-
	Highly Dissatisfied	-	-
Security level	Highly Satisfied	70	69.3
	Satisfied	21	20.8
	Neutral	9	8.9
	Dissatisfied	1	1
	Highly Dissatisfied	-	-
Discount, offers and Cashback	Highly Satisfied	64	63.4
	Satisfied	17	16.8
	Neutral	15	14.9
	Dissatisfied	5	5
	Highly Dissatisfied	-	-
Wide Range of Banking services	Highly Satisfied	62	61.4
	Satisfied	27	26.7
	Neutral	10	9.9
	Dissatisfied	2	2
	Highly Dissatisfied	-	-
Payment options	Highly Satisfied	67	66.3
	Satisfied	23	22.8
	Neutral	7	6.9
	Dissatisfied	1	1
	Highly Dissatisfied	3	3

Source : Primary data

The above table no 1.9 interprets that 78.2% of people are highly satisfied with faster transactions by UPI, 69.4% of people are highly satisfied with the security level of transactions, 63.4% of people are highly satisfied by the discount, offers and Cashback offered, 61.4% of people are highly satisfied with the wide range of banking services offered and 66.3% of people are highly satisfied with payment options in the UPI.

Table no.1.10

Characteristics	Frequency	Percentage (%)
Highly Satisfied	63	63.6
Satisfied	29	29.3
Neutral	6	6.1
Dissatisfied	-	-
Highly Dissatisfied	1	1

Source : Primary data

The above table no.1.10 interprets that 63.6% of the people are highly satisfied with the overall performance of UPI, 29.3% of people are satisfied, 6.1% of people remain neutral and only 1% of people remain highly Dissatisfied with overall satisfaction of UPI.

LIMITATIONS OF THE STUDY

- This study is limited to 101 responses received from the people.
- The geographical area of study is limited to city of Coimbatore.
- The study focuses only on the UPI mode of payment system.
- Most responses were based on the young people who use UPI.

VII. FINDINGS OF THE STUDY

1. 83.2% of the people started using UPI payment system after demonetisation.
2. 84.2% of the people prefer the UPI payment mode the most.
3. 49.5% of the people use UPI atleast once in two days.
4. 41.6% of the people transact Rs.20,000 – Rs.30,000 on an average in a month.
5. 61.4% of the people prefer Google pay application for UPI transactions most.
6. 89.1% of the people use the sending Money feature most.
7. 73.1% of the people face most the problem of transactions delayed or failed.
8. 76.2% finds easy to understand the information, 71.2% of people make transaction easily and 71.2% of people finds it easy to scan and pay at UPI enabled store.
9. 78.2% of the people are highly satisfied with faster payment transactions in UPI.
10. 63.6% of the people are highly satisfied with the overall satisfaction of UPI payment system.

VIII. SUGGESTIONS OF THE STUDY

1. Even though the overall satisfaction of UPI payment system is good, there is still number of people have problems in UPI payment system.
2. The developers need to improve the features, improve strategies to make every people's transactions successful, give more discounts, offers and Cashback and to solve the queries of the people related to the problems when they perform a transaction.
3. Problems relating to the registration procedure and linking of the bank accounts must also be solved.
4. Bank server problems needs to be sorted out to prevent transactions failure.
5. Security level of the transactions needs to be improved.

IX. CONCLUSION

UPI transactions has been increasing rapidly and new number of users of UPI are also increasing. The study clearly indicates that UPI has been widely used by the people and

quite satisfied with the UPI service. UPI is being considered the most preferred payment mode by the people. UPI is being used everywhere even local shops. More awareness needs to be spread to the people who doesn't know about the UPI payment system. UPI has made the people's life very easy in making transactions and is helping the economy to achieve cashless economy.

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