

Unified Payment Interface – Impact of UPI on Daily Money Transactions

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Abstract- *Technology is always known for its daily development. Every activity of man has got technology involved in it. This includes our daily money transactions. In the early days, we followed the barter system, and later came the concept of money. We started saving money for the future and for its safety we kept them safe in banks. But drawing back our deposited money from the bank has never been an easy task. Though ATM cards can be used to withdraw money from the bank it has got many restrictions. This problem has been sorted out by UPI (UNIFIED PAYMENT INTERFACE).UPI plays a major role in daily money transactions and it has greatly influenced our habits.*

I. INTRODUCTION

The Unified Payment Interface (UPI) was introduced by the National Payments Corporation of India on April 11, 2016. This interface allows the transfer of money from one bank to another without any delay or charges. Technological changes have forced us to make changes in our day-to-day actions. This digitalization is the main need of UPI. Demonetization made daily transactions difficult since the 500 and 1000 denominations were banned from use. Many people were not able to buy their daily necessities. But this problem could be avoided by making use of UPI. This system uses the mobile and card payments system of traditional methods and brings out their maximum output. So we need not carry a wallet or card for every place. Instead, the mobile phone which we carry to every place along with us is enough to do monetary transactions.

NEED FOR THE STUDY:

Despite many advantages, technology has always got some drawbacks. So this study is to find how people depend on using UPI. Also, this study helps us know how much knowledge have people got about UPI.

OBJECTIVES:

- To analyse the impact of UPI in daily transactions.
- To identify the variance between UPI and traditional transaction methods.

- To analyse the various uses of UPI.

II. REVIEW OF LITERATURE

SULIMAN A SALEM BEN GHRBEIA (2020) in his study has stated “From the analysis of the results attained, the “strongest correlation” existed between the Digital Payment System’s benefits and its ease to use. Results attained showed the customers' perception was positively and strongly affected by Internet banking, mobile banking, ATM, and POS systems. In as much as the user can easily make use of these Digital Payment Systems, they prefer it over the traditional methods.”

Dr.VirshreeTungare (2019) has stated that “ in contrast to all payment systems it can be said that UPI is the most advanced payment system in the world.”

Rathore (2016) stated that “digital payment using wallet was highly convenient for consumers in purchasing products online without physical movements across places.”

III. RESEARCH METHODOLOGY

Data collection-Primary data was collected through questionnaires.

Table 1 shows the demographic analysis of the respondents

VARIANCE	CATEGORY	NUMBER OF RESPONSE	PERCENTAGE
Gender	Male	20	40
	Female	30	60
Occupation	Business	4	8
	Self-employed	2	4
	Student	34	68
	An employee at an organization	10	20
Marital status	Married	14	28
	Unmarried	36	72
Educational qualification	Higher secondary	6	12
	Undergraduate	32	64
	Postgraduate	6	12
	Diploma	6	12
Age group	18 to24	32	64
	25 to 30	6	12
	30 to 45	6	12
	Above 45	6	12
Family income	Below 150000	18	36
	150000 to 300000	14	28
	300000 to 500000	8	16
	Above 500000	10	20
Area of residence	Urban	30	60
	Rural	20	40
Size of family	2	4	8
	3	6	12
	4	28	56
	More than 4	12	24

INTERPRETATION:

The above table consists of demographic data collected from different samples. It has basic data about the samples.

- Among the 50 samples, 20% are male and 30% are female.
- Here 68% of the sample are students, 20% are employed in a private or public organization, 8% do their own business and the rest 4% are self-employed.
- Regarding marital status, 28% are married and the rest 72% are unmarried.
- Here, 64% of the samples are undergraduate students, and higher secondary, postgraduate and diploma are the educational qualification of 12% sample each.
- Of the above samples, 64% of the sample fall into the age group of 18 to 24 and 12% for 25 to 30, 30 to 45, and above 45 each.
- In the above table, 36% of the sample’s family salary is below 150000, 18% sample’s family salary is between 150000 to 300000,16% sample’s family

salary is between 300000 to 500000, and 20% of the sample’s family salary is above 500000.

- Of the 50 respondents, 60% family resides in urban areas while the rest 40% family resides in rural areas.
- Regarding the size of the family, 8% family have 2 members, 12% family have 3 members, 56% family have 4 members, and 24% family have more than 4 members.

The above table and the data collected show that there is no relation between a person earning and the person making use of UPI since there are a large number of students who use UPI. People living in both urban and rural areas are also aware of the presence of UPI.

Table 2 Shows UPI’s influence on our daily routine

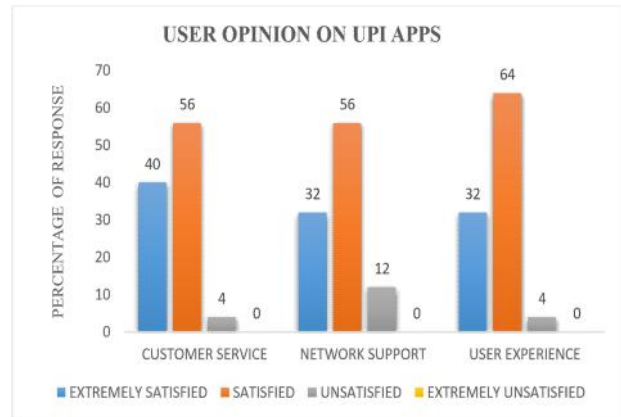
VARIANCE	CATEGORY	NUMBER OF RESPONSE	PERCENTAGE
Do you carry cash even when you use UPI?	Yes	46	92
	No	4	8
When did you start using UPI?	From launch day	2	4
	Few years before	24	48
	Few months before	18	36
	Recently	6	12
How did you get to know about UPI?	Bank staffs	2	4
	Advertisements	18	36
	Friends and neighbours	28	56
	Campaign by companies	2	4
How often do you use UPI?	Less than 2 times a day	32	64
	2 to 3 times a day	12	24
	3 to 5 times a day	4	8
	More than 5 times a day	2	4
Can you spend a day without using UPI?	Yes	44	88
	No	6	12
Would you use UPI if each transaction made is charged?	Yes	18	36
	No	32	64

The above table shows the characteristics of the users of UPI.

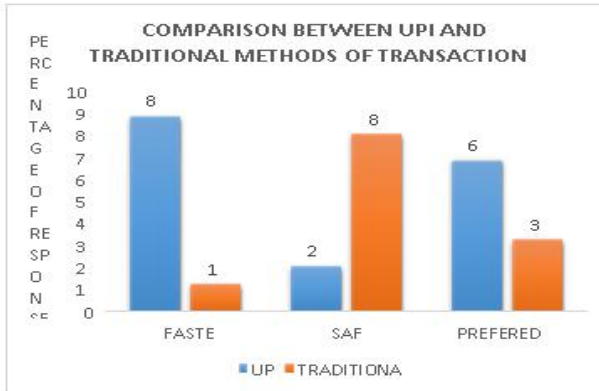
- Among the 50 respondents, 92% have said that they would carry cash even if they use UPI and the rest 4% have said that they don’t.
- In the above table,36% of samples have started to use UPI a few months before, 12% have started recently, 48% have been using it for a couple of years and 4% are using it from the beginning.
- Among the 50 respondents, 56% of the samples have got known about UPI from friends and neighbours, 36% have got to know from advertisements and banks and company campaigns have influenced 4% each.

- Of the 50 respondents, 64% do UPI transactions less than 2 times a day, 24% do 2 to 3 times a day, 8% do 3 to 5 times a day, and 4% do more than 5 times a day.
- Of the 50 respondents, 88% of respondents have accepted that they could spend a day without using UPI whereas the rest 12% can't spend a day without UPI.
- If charges were made for UPI transactions 36% of samples accepted it and 64% have not accepted it.

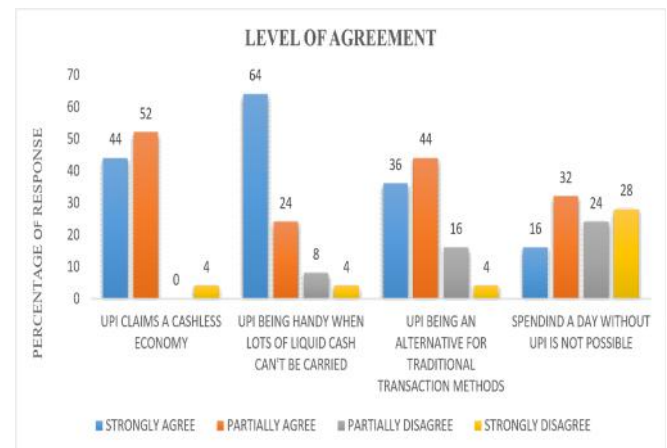
From the above table, we could find that even if people use UPI they carry cash which shows that people don't have much confidence in UPI applications. It also shows that the number of people using UPI has been increasing constantly since the date of its launch. The invite code bonus provided by these apps has also made many people refer their friends and thereby increased the number of users. The average use of UPI applications falls between 1 to 3 times a day and only a very few use more than 3 times. The majority of the users have also said that they could spend a day without using UPI which shows that UPI has not made people get addicted to its usage. But people have also said that they would not use it if charges are made for transactions and only a few have said that they would continue using it if charges are made.



This chart shows how satisfied the users of UPI applications are regarding the services and support provided by them. When it comes to customer service 40% of people are extremely satisfied and 56% are just satisfied and 4% are unsatisfied so, it shows the efficiency of the consumer support provided and also would keep improving. Regarding network issues, 32% are extremely satisfied and 56% are just satisfied and 12% are unsatisfied. This might be due to the sudden failure in transactions due to network issues and the companies must try to work on it to provide better support to their users. When it comes to user experience majority of the users are just satisfied. This is usual and the companies keep researching to provide a better user experience and to make the process both simple and safe. But still, they must focus on more security than on a simple user interface.



The above table is a comparison between UPI and traditional methods of online money transactions. Among these two methods, UPI is considered to be faster as it is completed as soon as we initiate the transaction. When security comes into consideration 80% have selected Traditional methods as large amounts are transferred safely. But still, when it comes to overall performance UPI is preferred by the majority of people.



The above chart shows the level of agreement of people on the various factors of UPI that have influenced the daily economy. For the fact that UPI is to bring in a cashless economy, 44% of people strongly agree and 52% partially agree which shows us that we might have paper currency in less future. More than half the people completely and partially agree that UPI is handy when they can't carry more cash during travel. About 80% of the sample as a whole have agreed that UPI is a better alternative for traditional

transaction methods like NEFT and RTGS. Of the total samples, collected half have agreed that spending a day without UPI is possible and the rest disagree with it.

IV. FINDINGS

From the collected data we have found the following:

- People from both rural and urban areas make use of online transactions.
- Since a large number of students make use of UPI its usage is not dependent on if a person is earning or not.
- UPI usage is growing constantly since digitalization has turned the key to development.
- Even when people use UPI they carry cash along with them and also they use it a very few times a day which shows us that people are not too dependent on inline payments.
- And the above point could be proved by the people accepting that they could spend a day without using UPI
- An important point to be noted is when people were asked if they would make use of UPI if charges were made for each transaction they make a majority of them have said that they would not use it, which clearly shows us that proving free service is their bigger strength.
- In the end, it is a third-party application from the bank itself. So people have security issues for the safety of their money and so they do not prefer UPI to make large money transactions.
- But still, UPI is considered to be the fastest way to transfer money and this is the reason for it being preferred by most people.
- Regarding the user experience and customer satisfaction, they still have got to make changes to attract more users and make the apps both user-friendly and safe.
- Despite having a few drawbacks people have agreed that UPI would be able to make a cashless economy.

V. CONCLUSION

Technological evolvment has always been constant in recent years. But it also takes a lot of money to be spent to use them. But that is not the case with UPI. In today's reality, there is no person found without a smartphone and the recent government policies have made every person have his or her bank account. Therefore every person can do online money transactions. Even small vendors who could not make use of POS (Point Of Sale) machines can have their QR(Quick Response) codes which can be scanned using by using their UPI apps. UPI helps both the sender and the receiver to make payments fast and easily. Since mobile is used to make these

payments it can be done in a single tap with 2factor authentication which ensures the safety of the transaction. The most important part is where you need not share your bank details but just provide your UPI id which is just a name and to make payments with it there is a need for a 6digit numeric password needed which ensures that only the person holding the UPI account can make the payment.

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