



## CONSUMER PERCEPTION TOWARDS UPI W.R.T. SPEED OF PAYMENT AND CONTROL OVER PAYMENT

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### Abstract

Unified Payments Interface is a system that enables multiple bank accounts in a single application of any participating bank, helping customer's use seamless banking features like fund transfer and merchant payments under one roof. It also enables making "Peer to Peer" requests and can help schedule transactions per users' requirements. UPI has transformed the way India transacts. Countries like Singapore, UAE, Nepal, etc., have also started accepting UPI for transactions. The success story of UPI is a benchmark in the "Digital India" movement. In 2017-18, the volume of 915.2 million transactions compared to when it had a limited presence in 2016-17. Demonetization played a significant role in increasing the customer base and boosting the merchants' enrollment. As per the report by Niti Ayog in July 2018, Paytm enrolled approximately 7 million merchants, and other applications like phone pe, google pay also focus on merchant payments. It will likely steep digital payments in the country in the coming days. Whether Re. 1 or Rs. 2,000 or more, payments are being made 24\*7 using the UPI facility nationwide. Even roadside vendors are using UPI facilities to accept payments from their customers. It is also helping to bring such vendors to a part of the formal economy. UPI made it easier to execute the transaction and engage people to use it regularly in their payment habits. It is essential to understand consumer perception pertaining use of UPI and why it is preferred mainly by consumers. This paper looks forward to studying how speed and control over payment have transformed consumers' approach toward UPI.

**Keywords:** Upi, Digital Payment, Digital India, Demonetization

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## 1. Introduction

Digital payments have various benefits to offer to the consumer. Consumers analyze various key elements before opting for any digital mode of payment. Speed and control over payment are crucial for opting for digital payments. UPI played a significant role in transforming the speed of payment as users can use a QR code or a small address like a phone number@service provider to execute a less time-consuming payment than other methods that require beneficiary details like account number, bank IFSC code, etc. The user should be able to control the payments made by him. While using the UPI facility, the user can make payments only by using UPI PIN. The user can withdraw automatic payment instructions at any point in time. In the overall situation, UPI can resolve the consumer's concerns for quick and prompt payments and control over the payment. The wide acceptability of UPI at the retail level has also been a critical feature for users to utilize, even for the smallest of payments. UPI has resolved various concerns revolving around retail payments. UPI also played a critical role in making India number one in the global fintech adoption rate. Digital transformation need of an hour to keep up with the pace of business requirements. Transaction speed contributes to boosting the economic activities in the country. It is essential to understand consumer perception regarding key features like speed and control over payment while using the UPI facility. Despite the tremendous transformation, studies have yet to catch the undercurrent of how UPI became the leader of digital India transformation.

### Objective of Study

This paper looks forward,

- To study the impact of UPI on retail payments.

- To analyze the consumers' perception towards using UPI for online payment (w.r.t speed and control over payment) and the gender of consumers.

## 2. Methodology

- While researching for the detailed study, primary data from 116 respondents from various parts of Mumbai city were received based on the survey conducted using Google forms.
- It also includes secondary information already collected, which is mentioned in the references.

### Hypothesis

**H<sub>0</sub>:** There is no significant difference between age group and the perception towards using UPI for online payment (w.r.t Speed & Control over payment)

**H<sub>a</sub>:** There is a significant difference between age groups and the perception towards using UPI for online payment (w.r.t Speed & Control over payment)

### Review of Literature

**Devadutta Indoria and K. Devi (2021):** In their paper "An analysis of consumer perception towards UPI," testing 230 respondents under a structured questionnaire, users were asked various questions about the application used, the purpose of UPI and whether local merchants are aware of UPI facility. It also analyzed problems faced while using UPI. The paper highlighted that giving importance to consumer comfort must be a priority. The paper also suggested conducting further series of surveys to give a competitive edge over Net banking or PayPal etc.

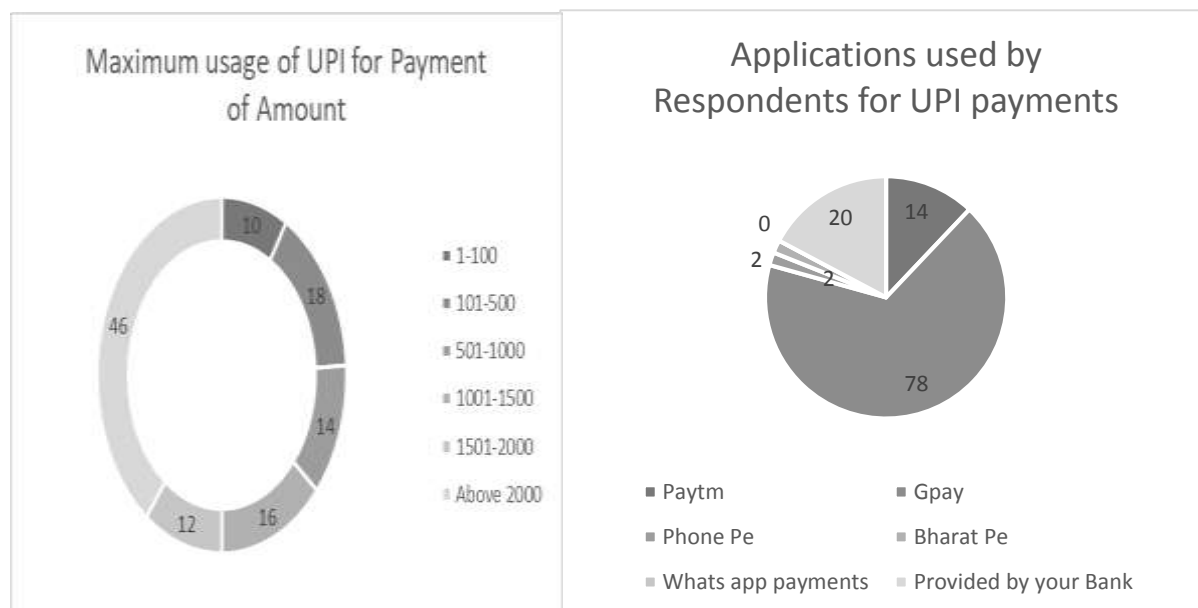
**Mrs. SUKANYA N and Dr.S.SUBBULAKSHMI (2021):** The paper aimed to study consumer preference towards UPI and the level of satisfaction among consumers towards UPI applications. The study was carried out in

Chennai city. The study suggested that overall, consumers are satisfied with UPI. It is necessary to resolve server issues, and banks can take the initiative to educate consumers about the risk of phishing and other fraudulent activities.

**Dr. Virshree Tungare (2018):** The study was conducted in the Indore city, studying the UPI system's awareness level and adoption levels of the system. It highlighted various criteria playing a critical role in adopting the UPI system. UPI is one of the finest payment systems in the world. It also highlighted that a simplified process and hassle-free payment mode is a crucial factors motivating consumers to adopt the UPI system. The study suggested that users have a positive approach toward UPI. It will contribute to making India a less-cash society.

### Views on Topic

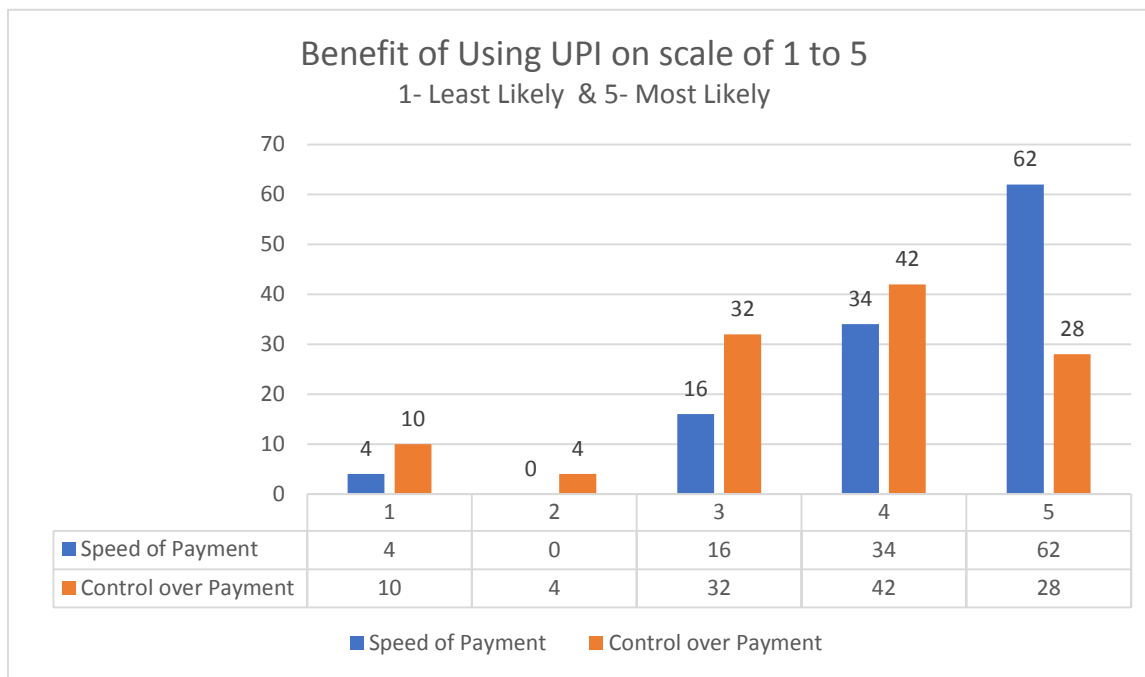
UPI has played a pivotal role in transforming the retail payment segment in India. Retail payments were the biggest concern in transforming the digital India movement. UPI payments are made in real-time, which resolved issues of retail vendors who needed to be more hesitant to use online payment methods to collect payments. It has also made customers use their bank deposits in real-time without requiring them to visit a bank or ATM. While conducting a survey, it was observed that most of the users were using an application of a third party rather than an application provided by the banks. It was also observed that 78 respondents were using the application G pay facility. Approximately 20 respondents were using bank applications for making UPI payments.



### (Compiled from Primary Data)

During the survey, it was also observed that the maximum amount preferred for making UPI payments out of 116 respondents, 46 respondents used to make payments above Rs. 2000 using the UPI facility. It was also observed that even payments from Re.1 to Rs.100 respondents

used the UPI facility. The success of UPI is in converting even the smallest of payments in the retail segment. Approximately 7.3 billion transactions were done till November 2022, amounting to Rs. 12.11 trillion. UPI is also expected to be soon handling transactions of Rs. 1 billion per day.



**(Compiled from Primary Data)**

It is necessary to analyze consumer perception regarding how speed and control over payment have played a role in the success of UPI. Speed and control are vital for consumers using any digital

payment method. In the survey, 62 respondents rated speed of payment as a crucial benefit of using the UPI facility, whereas 42 respondents rated control over the payment as a key benefit of UPI.

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.051 <sup>a</sup>	8	.021
Likelihood Ratio	20.265	8	.009
Linear-by-Linear Association	6.029	1	.014
N of Valid Cases	116		

**(Source: Compiled from Primary Data)**

The table represents the Chi-Square analysis to determine the influence of Age on the perception of using UPI services. The significant value 0.021 determines that Age is significant in the perception of using UPI services. Thus, the null hypothesis that there is no significant difference between the age group and the perception towards using UPI for online

payment (w.r.t Speed & Control over payment) is rejected. It means that our alternate hypothesis that there is a significant difference between different age groups (w.r.t speed and control over payment) is accepted. Age plays a vital role in determining the use of technology like UPI for online payment.

### **3. Conclusion**

Several questions were raised about the acceptability of digital fintech for executing transactions at the retail level. However, it is evident that UPI has been leading the way for the 'Digital India' movement. Speed of payment is critical for encouraging customers to use various online payment modes. Control over the payment is vital for the consumer's hard-earned money's safety and security. It is important to note that in order to encourage consumers to use facilities like UPI, it is necessary to provide speed as well as control over the payment made by them. The growth of the use of UPI across borders will also eliminate various issues faced in cross-border settlements along with securing domestic payments. It will also enable speed and control over cross-border transactions, boosting consumer confidence in the long run.

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