

## AWARENESS AND ADOPTION OF UNIFIED PAYMENT INTERFACE (UPI)

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### **Abstract**

*The fast progression of electronic technology has converted the global economy into a digital ecosystem, resulting in substantial evolution of payment systems. Electronic money, the digital representation of cash, facilitates payment transfers via electronic platforms such as online banking, digital wallets, and smart cards. The Unified Payments Interface (UPI) has evolved as a transformative payment system in India, consolidating various bank accounts into a single mobile application and facilitating smooth, instantaneous, and safe transactions. Created by the National Payments Corporation of India (NPCI), UPI enables peer-to-peer and peer-to-merchant transactions, functioning continuously throughout the year, thereby improving ease and accessibility.*

*This study investigates the awareness, usage habits, and preferences about UPI among users in the West Godavari district. The research analyzes demographic factors, including gender, age, employment, and income, as well as sources of awareness and preferred payment methods, utilizing primary data gathered from 387 respondents. The results indicate that UPI is the most favored digital payment method, especially among younger and working-age individuals, with social media serving as the primary source of knowledge. The report indicates that UPI is crucial in advancing digital payments, financial inclusion, and economic engagement, particularly among lower-income demographics. The analysis underscores the potential of UPI as a driver for equitable economic growth suggests scope for further studies across broader regions and socio-economic contexts.*

**Keywords** *UPI , technologies, Electronic money, RBI, National Payments Corporation of India*

### **1.1 Introduction**

The technological age is reshaping the globe into a digital economy, with payment methods being no exception. In the realm of ecommerce, terms such as smartcards, net banking, and digital currency denote "money." Electronic money refers to the electronic transmission of monies over a payment interface. Consequently, electronic money represents the digital manifestation of currency. The ideal digital money would be universally accepted across all nations, eliminating transaction losses and inconveniences associated with local amounts. The Unified Payments Interface (UPI) has been described as a groundbreaking innovation in the payment system. The Unified Payments Interface (UPI) is a system that consolidates several bank accounts into a single mobile application from any participating bank, integrating various banking functionalities, efficient fund routing, and merchant payments onto one platform. It also accommodates the "Peer to Peer" collection request, which may be planned and paid according to necessity and convenience. In light of the aforementioned circumstances, NPCI executed a pilot launch with 21 member banks. The trial launch occurred on April 11, 2016, by Dr. Raghuram G. Rajan, Governor of the Reserve Bank of

India, in Mumbai. Banks began uploading their UPI-enabled applications on the Google Play Store starting from August 25, 2016.

Innovation is rendering domestic payments progressively convenient, fast, and widespread. The increased availability of solutions for consumers is enhancing the convenience of digital payment usage. Systems for near-instantaneous person-to-person retail payments are becoming increasingly accessible globally. Numerous payment systems in the nation now function 24/7, hence encouraging clients to adopt digital payments due to the ease provided. India employs Immediate Payment Systems (IMPS) and Unified Payments Interface (UPI) for expedited transactions, with the latter significantly propelling retail payment volumes. Furthermore, NEFT, which facilitates retail payment transactions, has been operationalized on a 24/7/365 basis with half-hourly settlements, indicating significant expansion in India's payment systems environment.

The National Payments Corporation of India (NPCI) is a comprehensive entity overseeing retail payment and settlement systems in India, established by the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) under the Payment Systems and Settlement Act, 2007, to create a resilient payment and settlement infrastructure in the country.

Given the functional purpose of NPCI entities, it was established as a "not-for-profit" organization under Section 25 of the Companies Act 1956 (now Section 8 of the Companies Act 2013), aimed at delivering infrastructure for the comprehensive banking system in India for both physical and electronic payment and settlement systems. The company's objective is to reinvent retail payment systems using technology to enhance operational efficiency and broaden the scope of payment systems.

## 1.2 Review of Literature

The work on UPI has been conducted either theoretically or practically. The theoretical studies on UPI examine its potential for broader adoption and its advantages for the digitization of financial services. [1, 2, 3]

Operational studies utilizing UPI primarily examine its operational efficacy as a prospective instrument for digitalization aimed at achieving widespread appeal. The authors note that none of the studies empirically address the influence of UPI on the economic development of impoverished individuals.[4, 5]

## 1.3 Objectives

1. To find out the awareness on interest of mobile wallet interest.
2. To find out the awareness on Unified Payment Interface

## 1.4. Data analysis

### 1.4.1 Gender

Gender is one of the important socio economic variables in social science research. It plays a pivotal role in making significant difference in awareness, adaption and satisfaction levels of the customers in various aspects of unified payment system (UPI). Table 4.1 gives the gender-wise classification of selected respondents and their percentage to total.

Table 4.1

S.NO	Option	Number of respondents	Percentage
1	Male	264	68.3
2	Female	123	31.7
	<b>Total</b>	<b>387</b>	<b>100</b>

Source: Primary data

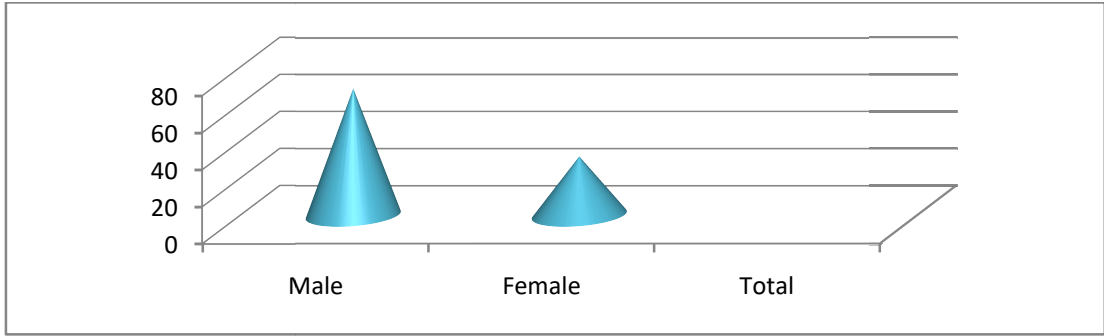


Table 4.1 shows the Frequencies of male are higher than compared to female frequencies in West Godavari district. In West Godavari district percent of the respondents are male 68.22% female 31.78%. This indicates that majority of respondents are male used in upi transactions.

#### 1.4.2 State the age of the respondents

**Table 4.2**

S.No	Age	Number of respondents	Percentage
1	Below 25	132	34.2
2	26-30	98	25.3
3	30-35	78	20.2
4	35-40	38	09.8
5	40 Above	41	10.5
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data

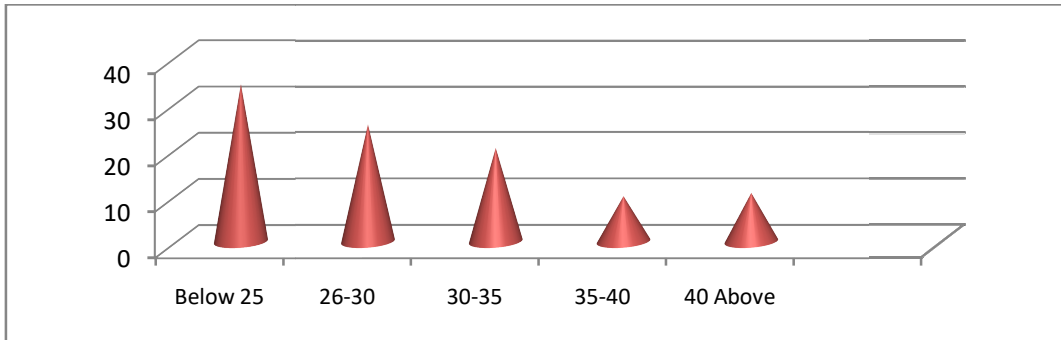


Table 4.2 depicts the age of the respondents. It reveals that the age of respondents was bifurcated in five categories and which was collected from West Godavari district with a sample size 387 from the district. The highest percentage of used age group below 25 Years is occupied by 34.2% and 26-30 age group 25.3

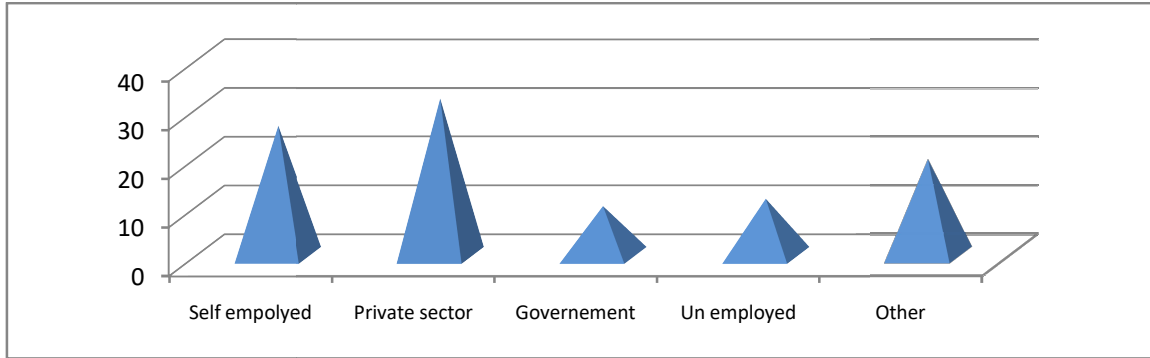
#### 1.4.3 State the Occupation of the respondents

Occupations of the respondents are classified into five categories viz., self employed, private sector, Government, Un employed and student others. Table 4.3 gives the number of respondents under each category and their percentage to total.

**Table 4.3**

S.NO	Occupation	Number of respondents	Percentage
1	Self employed	103	26.6
2	Private sector employed	124	32.1
3	Government employed	39	10.1
4	Un employed	45	11.6
5	Other	76	19.6
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data



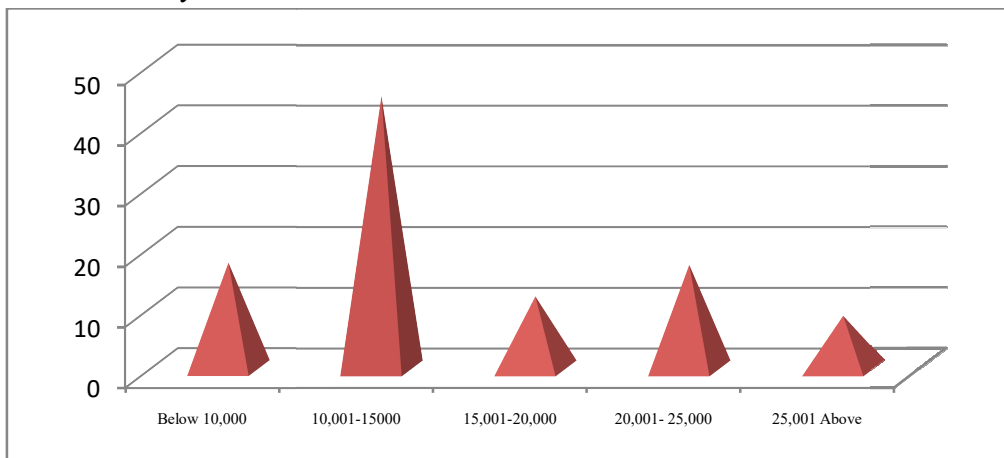
The data reveals that from West Godavari district highest percentage of the respondents are private sector with 32.1%, followed by self employed with 26.6%, others are 19.6%, Un employees are 11.6% ,government employees with 10.1%

#### 1.4.4 State the monthly income of the respondents

Table 4.4

S.NO	Income level	Frequency	Percentage
1	Below 10000	67	17.4
2	10,000-15,000	174	44.9
3	15,001-20,000	46	11.9
4	20,001-25,000	66	17.1
5	25,001 Above	34	8.7
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data



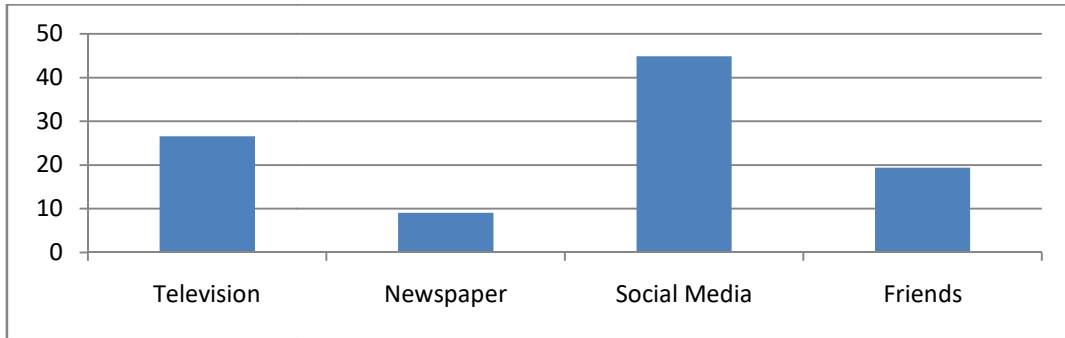
The table 4.4 show monthly income highest percentage 44.96% it is 10,001 -15,000, below 10,000/- percentage of 17.3% reason for the lowest income generating these district majority of peoples are depending on agriculture.

#### 1.4.5 If through advertisement, specify the source of awareness

Table 4.5

S.No	Source of Awareness	No. of respondents	Percentage
1	Television	103	26.6
2	Newspaper	35	9.1
3	Social media	175	44.9
4	Friends	75	19.4
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data



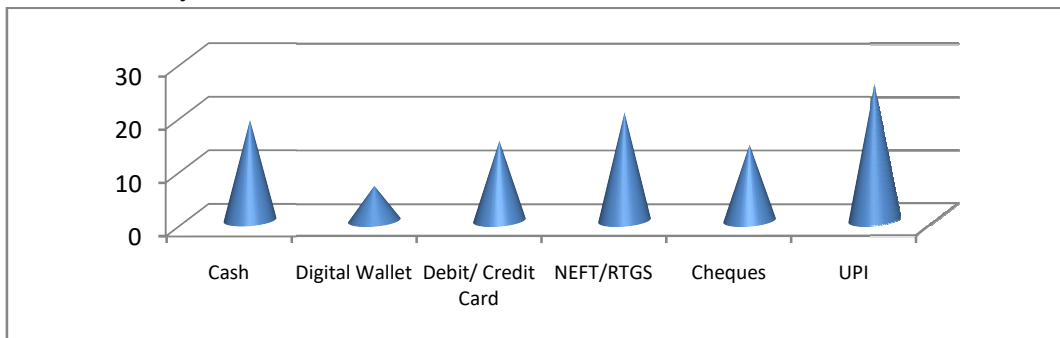
The table 4.5 shows Awareness of advertisement in different ways now a day majority of peoples are through follow the social media. The data analysis social media is 44.96% and television 26.6%, awareness of friends 19.4%.

#### 1.4.6 Which mode of fund/payment transfer do you prefer the most

Table 4.6

S.No	Mode of payment	Number Of Respondents	Percentage
1	Cash	73	18.8
2	Digital Wallet	25	6.5
3	Debit/ Credit Card	58	14.9
4	NEFT/RTGS	78	20.2
5	Cheques	55	14.2
6	UPI	98	25.4
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data



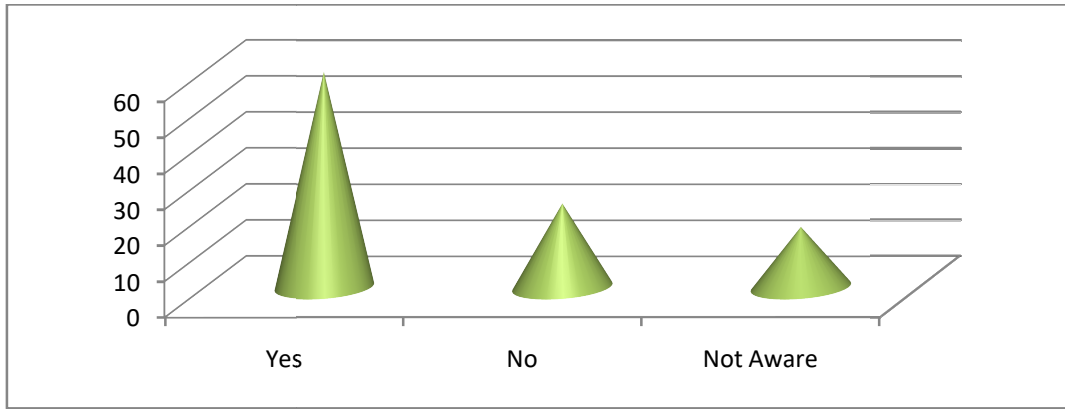
In the above table 4.6 show the graph the highest mode of payment in UPI in percentage of 25.3, and usually carry from cash 18.8%, NEFT/RTGS transactions are 14.98 percent, cheques 14.22 percent.

#### 1.4.7 Do you wallet give you any interest on keeping money in UPI

Table 4.7

S.No	Options	Respondents	Percentage
1	Yes	232	59.9
2	No	90	23.3
3	Not Aware	65	16.8
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data



From the table 4.7 the data reveals that interest on keeping money in UPI wallet 59.9 percent respondents opinion are Yes and 23.3 percent respondents are No remain respondents are 16.8 percent Not aware.

#### 1.4.8 Are you aware of UPI

**Table 4.8**

S.No	Opinion	Number of respondents	Percentage
1	Fully Aware	155	40.1
2	Aware but not Completely	95	24.5
3	Heard of it but very less Awareness	87	22.5
4	Un Aware	50	12.9
<b>Total</b>		<b>387</b>	<b>100</b>

Source: Primary data

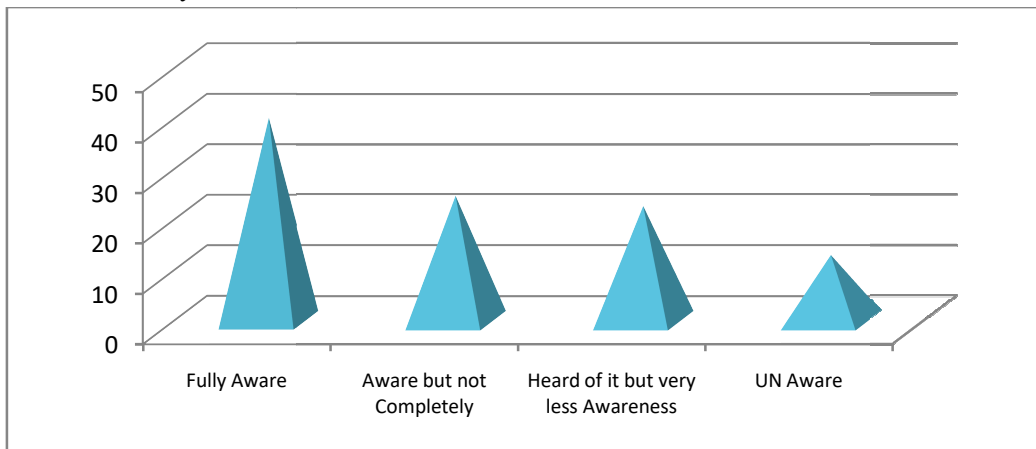


Table 4.8 show the aware of UPI. The data reveals that fully aware the respondents are 40.1 percent, partially aware but not completely respondents are 24.5, some heard of it but very less awareness respondents 22.5 percentage, remain percentage of respondents Un aware 12.9 percentage.

#### 1.5 Conclusion

The study contributes to the literature on financial inclusion and economic growth. This article examines the role of trusted brokers and the factors of financial stability as new variables of UPI in the realms of digital finance and financial inclusion. The emergence of digitalization is a transformative breakthrough, and UPI is one such advancement that bolsters the digital ecosystem and facilitates the inclusion of the economically disadvantaged in the financial system. The paper asserts that UPI also offers secure transactions to those with PMJDY accounts. Should these individuals execute transactions using these programming procedures, it will facilitate their integration into the financial system and promote economic progress. The

research of paper can be enhanced by expanding its size and including other factors. The study may be conducted in many situations with varying economic cycles, allowing for the assessment of its dependability. Factors like as government intervention and the inclusion of the informal sector must be addressed. Behavioral issues may also be examined within the domains of digital innovation and financial inclusion.

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