

**“INFLUENCE OF UNIFIED PAYMENT INTERFACE ON
ONLINE PAYMENT SYSTEM: A STUDY OF
DEMOGRAPHIC RELATION”**

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ABSTRACT

The purpose of this paper is to analyse the influence of Unified Payment Interface on online payment system by selecting 275 samples from Alappuzha District of Kerala State. After the era of demonetisation and the covid 19 pandemic, India witnessed a drastic growth in the online payments and hence many new companies providing online payment services has been emerged during the period. The present study focuses on the influence of UPI in Online Payments and it studies how the demographic factors affect the UPI usage among the people under study. The researcher used Google form-based questionnaire for primary data collection and referred many journals, websites and publications for collecting relevant information. Convenience sampling technique was used in the study and for analysis MS Excel, SPSS were used.

KEYWORDS

UPI, DEMOGRAPHIC INFLUENCE, CUSTOMER BEHAVIOUR

1. INTRODUCTION

It was in 1920's that electronic banking for banking services came into being in Britain and America with the introduction of telegraphic mode of payments. The concept of web-based mode of banking started in 1980's. Indian mode of traditional banking namely

branch banking got changed to e-banking in 1990's with the help of ICICI bank. Now most of the banks in India offer e-banking services or products which include ATM, mobile banking, tele-banking, electronic clearing services, and smart cards etc. Apart from the bank's mobile applications other applications like BHIM, Paytm, Tez, Google pay, PhonePe etc. offered provided enhanced features that lead to easy access to banking services. Bharat Interface for Money (BHIM) was launched after demonetization by National Payments Corporation (NPCI) by Prime Minister Narendra Modi, in New Delhi on 30th December 2016.

India is a thriving market for mobile phones. Even though the Indian smartphone market showcased a four-percentage decline during Covid Pandemic, it crossed 100 million units by the second half of 2020 for the first time. The exponential growth of the smartphone market and Internet usage in India paved the way for a digital revolution in payment modes. Demonetization drive on 8th November 2016 was the major catalyst in digitalizing India. The digitalization drive in the Indian economy caused a tremendous growth in cashless transactions.

Cashless transactions are not new to India. It can be done through cards like debit card, credit cards, via NEFT/RTGS or digital wallets. Various applications like Paytm, Mobikwik etc. applications can be used for cashless transactions on smart phones. On 8th November 2016, the government of India, took a historical measure of social engineering called Demonetization. Government placed restrictions on the convertibility of domestic money and bank deposits. For a period extending to over 2 months, there was a shortage of cash in the country. People were in search of easier, faster and cash equivalent measure of payment. This shortage of cash period led to opening new era of digital currencies in India. The usage of mobile wallets experienced massive growth in users. One of the companies that bagged the opportunity was Paytm. The extensive marketing strategy of the company worked and it reached even the smallest retailers like the tea-sellers and ice-cream vendors who were tapped as point of contact with consumers, who needed a cash free payment mode. Other wallets too followed and a lot of mobile wallets experienced a growth in number of users in year 2017. Although UPI was launched in August 2016, way before demonetisation, it could not tap the number of customers as the mobile wallets did at the time of demonetisation.

According to the NPCL, “Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application, merging several banking features, seamless fund routing & merchant carrying out payments. Various criteria about an ideal payment system was brought out by the RBI in its vision for a future payment system dreaming a digital transaction economy. A remarkable feature of the UPI is that it satisfies several criteria put forwarded by RBI’s payment system vision of safe, efficient, interoperable, authorized, accessible, inclusive and compliant with international standards. The present study studies the influence of UPI in online payment system and it analysis in detail the demographic influence on UPI usage

2. REVIEW OF LITERATURE

A study on the Understanding customer satisfaction of internet banking a case study conducted in Malacca by Gosh Mei Ling, Yeo Sook Fern, Lim Kah Boon and Tan Seng Huat (2016) establishes the factor that influence customers decision to internet banking by collecting data from 200 working adults. The results of this research showed that web design and content, convenience and speed are linked to customer satisfaction towards internet banking.

Shamsher Singh & Ravish Rana (2017), In their study reported that adoption of digital payment is influenced by the education level of the customer. If a person has studied beyond matriculation and internet savvy, he or she will be inclined to use the digital payment mode. It was also found that in the areas/region where education level is high such as Delhi NCR and other metropolitan area, the possibility of acceptance of digital payment is much higher. The growth of users of Smartphone and internet penetration in such area also facilitated the adoption of digital payment.

A research on the topic “Factors affecting customers adoption of Electronic Payment” by Sanghita Roy and Indrajit Sinha (2017) helped to know about the factors which can influence customers in adopting to a service. The literature gives an understanding that Perceived ease of use, Perceived usefulness and Perceived ease of security influence customers perception towards Electronic Payment.

In the study of Dr. Virshree Tungare (2018), “A Study on Customer Insight Towards UPI (Unified Payment Interface) - An Advancement of Mobile Payment System” states that cashless transaction has become important component after the demonetization. The researcher conducted a study in Indore about the UPI payments and related E-payments modes. The findings of the study states that most of the respondents find UPI payments are convenient way of using and it provides various rewards and incentives. The study concluded that it is enhance with the help of smart phones.

Atul Gupta (2018), in his study titled “UPI- Redefining Digital Payments - A Critical Review” states the statistical data about the usage of UPI mobile interfaces. The data was extracted from the government websites like RBI and NPCI. This article discussed the various challenges and opportunities of UPI.

Suma Valley and Hema Divya, (2018), in their study on consumer adoption of digital payments in India had indicates that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. The study gives emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measures in creating awareness towards the effective usage of technology and security.

Shivani Maheswari (2019), in the study titled “UPI (Unified Payments Interface) - The futuristic Payment Method” discusses the architecture of UPI and states the month wise income features. From the study it is found that 105 million income till Nov 17, as reported by National Corporation of India (NPCI). It is concluded from the study that UPI payment is not only creating peer to peer transactions but also peer to merchant transactions.

Radhika Basavaraj Kakade, Prof. Nupur A. Veshne, (2019), In their study reported that the UPI has made digital transaction for individuals as easy as sending text messages. Service is available 24X7, not like RTGS or NEFT which don't work on holidays or during non-banking hours. This will bring enormous efficiency in the system and help India become a truly cashless economy.

2.1. OBJECTIVES OF THE STUDY

1. To find out the influence of UPI on online payment system.
2. To find out the demographic influence on the use of UPI.

2.2. LIMITATIONS OF THE STUDY

1. The study is limited to people of Alappuzha District.
2. All the limitations of Questionnaire data collection methods will be there.

3. RESEARCH METHODOLOGY

The study is based on primary as well as the secondary data. An attempt has been made to know the influence of Unified Payment Interface on online payment system by selecting 275 samples from Alappuzha District. Convenience sampling method is used to select these respondents. A structured questionnaire (Google Form) is used to collect the information from the respondents required for the study. Together with the primary data collection, various journals, books and websites form the secondary sources of information.

4. DATA ANALYSIS

Demographic association in UPI Usage for online payment.

Chi-Square Tests

Demographic Variables	Value	df	P Value
Gender	1.36	1	.105
Age Group	36.45	3	.020
Monthly Income	42.351	2	.000
Area of Residence	14.48	2	.005
Educational Qualification	41.54	6	.002
Occupation	18.45	4	.002
Experience of usage	1.26	2	.125

Symmetric Measures

		Value	Approx. Sig.
Gender	Phi	-.068	.275
	Cramer's V	.068	.275
Age Group	Phi	.242	.000
	Cramer's V	.242	.000
Monthly Income	Phi	.341	.000
	Cramer's V	.341	.000
Area of Residence	Phi	.245	.000
	Cramer's V	.245	.000
Educational Qualification	Phi	.347	.002
	Cramer's V	.347	.002
Occupation	Phi	.341	.001
	Cramer's V	.341	.001
Experience of usage	Phi	-.031	.291
	Cramer's V	.031	.291

5. FINDINGS

- 1) A Chi-square test of independence was calculated for the use of UPI for online payment with gender. $\chi^2 (1, N=275) = 1.36; p > 0.05$. So here there is no statistically significant association between gender and UPI usage for online payment, that is, both males and females equally prefer UPI Payment system for online payment. Phi and Cramer's V (.068) can see that the strength of association between the variables is very weak.
- 2) Independence between age and use of UPI for online payment was tested. $\chi^2 (3, N=275) = 36.45; p < 0.05$. Here the association between age and the selection of UPI for online payment is statistically significant. Phi and Cramer's V (.242) can see that a moderately strong association between the variables.
- 3) Another Chi-square test of independence was calculated for the use of UPI for online payment with monthly income. $\chi^2 (2, N=275) = 42.351; p < 0.05$. Here, the association between monthly income and selection of UPI for online payment is statistically significant. The Phi and Cramer's V (.341) can see that a moderately strong association between the variables.

- 4) A Chi-square test of independence was calculated for the use of UPI for online payment with area of residence. $\chi^2 (2, N=275) = 14.48; p < 0.05$. Here, the association between area of residence and selection of UPI for online payment is statistically significant. Phi and Cramer's V (.245) can see that a moderately strong association between the variables.
- 5) Another Chi-square test of independence was calculated for the use of UPI for online payment with educational qualification. $\chi^2 (6, N=275) = 41.54; p < 0.05$. Here, the association between educational qualification and selection of UPI for online payment is statistically significant. Phi and Cramer's V (.347) can see that a moderately strong association between the variables.
- 6) Yet another Chi-square test of independence was calculated for the use of UPI for online payment with occupation. $\chi^2 (4, N=275) = 18.45; p < 0.05$. Here, the association between occupation and selection of UPI for online payment is statistically significant. Phi and Cramer's V (.341) can see that a moderately strong association between the variables.
- 7) A Chi-square test of independence was calculated for the use of UPI for online payment with experience of usage. $\chi^2 (2, N=275) = 1.26; p > 0.05$. So here there is no statistically significant association between experience of usage and UPI usage for online payment, that is, respondents equally prefer UPI Payment system for online payment irrespective of their experience of usage. Phi and Cramer's V (.031) can see that the strength of association between the variables is very weak.

6. CONCLUSION

The changes taken place in the economy because of demonetisation and covid 19 pandemic caused the development and growth of various UPI based applications among the common man. Now a days, everyone is considering using online payment methods instead of using the trading payment systems. Hence, this study gains its importance. The demographic influence of UPI in online payments clearly highlights a moderately strong association with age, monthly income, area of residence, educational qualification and occupation and showcased a very weak association with experience of usage and gender. The study also exhibits that there is no statistically significant association between gender and UPI usage for online payment, that is, both males and females equally prefer UPI Payment system for online payment.; is no statistically significant association between experience of usage and

UPI usage for online payment, that is, respondents equally prefer UPI Payment system for online payment irrespective of their experience of usage. All other demographic factors showed a statistically significant association with the UPI usage for online payment.

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