

**A STUDY ON THE CONSUMERS PREFERENCE FOR UPI
PAYMENT OVER CASH PAYMENT**

PROJECT SUBMITTED

TO

ST.TERESA'S COLLEGE (Autonomous), ERNAKULAM

Affiliated to

MAHATMA GANDHI UNIVERSITY

IN PARTIAL FULFILLMENT OF THE REQUIREMENT

FOR THE AWARD OF THE DEGREE OF

BACHELOR OF ARTS in ECONOMICS

BY



Nandana Anil	Reg. no.AB20ECO012
Sandra Biju	Reg. no.AB20ECO062
Fathima Luluath	Reg. no.AB20ECO028
Nidhisha Nandakumar	Reg. no.AB20ECO041
Christena V. T	Reg. no.AB20ECO052

UNDER THE GUIDANCE OF

Dr. MARY LIYA C.A

ASSISTANT PROFESSOR

DEPARTMENT OF ECONOMICS

MARCH 2023

**A STUDY ON THE CONSUMERS PREFERENCE FOR UPI
PAYMENT OVER CASH PAYMENT**

PROJECT SUBMITTED

TO

ST. TERESA'S COLLEGE (Autonomous), ERNAKULAM

Affiliated to

MAHATMA GANDHI UNIVERSITY

IN PARTIAL FULFILLMENT OF THE REQUIREMENT

FOR THE AWARD OF THE DEGREE OF

BACHELOR OF ARTS in ECONOMICS

BY



Nandana Anil	Reg. no. AB20ECO012
Sandra Biju	Reg. no. AB20ECO062
Fathima Luluath	Reg. no. AB20ECO028
Nidhisha Nandakumar	Reg. no. AB20ECO041
Christena V. T	Reg. no. AB20ECO052


UNDER THE GUIDANCE OF

Dr. MARY LIYA C.A

ASSISTANT PROFESSOR

DEPARTMENT OF ECONOMICS

MARCH 2023


Dr. ANCY. V. P.
ASSOCIATE PROFESSOR
FISHERIES ECONOMICS
SCHOOL OF INDUSTRIAL FISHERIES
COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY
FINE ARTS AVENUE, KOCHI - 682 016

CERTIFICATE

This is to certify that the project titled “A STUDY ON CONSUMERS PREFERENCE FOR UPI PAYMENT OVER CASH PAYMENT” submitted in partial fulfilment of the requirement for BA Degree in Economics to St Teresa’s College (Autonomous) (Affiliated to Mahatma Gandhi University, Kottayam) is a bona fide record of the work done by the project group under my supervision and guidance.



Head of the Department

Dr. Mary Liya C.A



Guide and supervisor

Dr. Mary Liya C.A

DECLARATION

We hereby declare that the project titled “A STUDY ON CONSUMERS PREFERENCE FOR UPI PAYMENT OVER CASH PAYMENT” submitted by us for the B A Degree in Economics is our original work.




Signature of the supervisor

Dr. Mary Liya C.A

Signature of the candidates

Nandana Anil 

Sandra Biju 

Fathima Luluath 

Nidhisha Nandakumar 

Christena V T 

ACKNOWLEDGEMENT

First and foremost, we thank God almighty for showering us with blessings and giving us strength to carry on and complete the project.

We extend our heartfelt gratitude to the members of the faculty of the Department of Economics for their encouragement and support.

We extend our gratitude to the Head of the Department of Economics and to our guide, Dr. Mary Liya C.A, Assistant Professor, Department of Economics, St Teresa's College (Autonomous) without whose guidance and encouragement this project would never have been completed.

We duly thank all the respondents for taking part in our survey.

Nandana Anil

Sandra Biju

Fathima Luluath

Nidhisha Nandakumar

Christena V T

CONTENTS

Chapter 1: Introduction

- 1.1 Review of literature
- 1.2 Problem identification
- 1.3 Objectives
- 1.4 Theoretical Framework
- 1.5 Methodology
- 1.6 Scheme of Study
- 1.7 Limitations

Chapter 2: An overview on Unified Payment Interface

- 2.1 Background
- 2.2 Commonly used UPI 3rd party Apps in India
- 2.3 Evolution of UPI
- 2.4 Economic Impact of UPI
- 2.5 Positives of UPI
- 2.6 Negatives of UPI

Chapter 3: An Analysis of consumers preference for UPI payment over cash payment.

Chapter 4: Findings ,Recommendation and Conclusion

Appendix

- Endnote
- Bibliography
- Questionnaire

LIST OF FIGURES

FIG.NO	TITLE	PAGE NO.
3.1	AGE WISE CLASSIFICATION	
3.2	EMPLOYMENT STATUS OF RESPONDENTS	
3.3	AREA WISE CLASSIFICATION	
3.4	CLASSIFICATION BASED ON USAGE	
3.5	MOST CONVENIENT MODE OF PAYMENT	
3.6	CONSUMERS PREFERENCE FOR THE SAFEST MODE OF PAYMENT	
3.7	PREFERRED PAYMENT MODE WHILE SHOPPING	
3.8	PREFERRED MODE OF PAYMENT WHILE PAYING UTILITY BILLS	
3.9	MOST PREFERRED UPI PLATFORM	
3.10	TOTAL NUMBER OF TRANSACTIONS DONE A DAY	
3.11	MAXIMUM AMOUNT TRANSFERRED IN A DAY	
3.12	REASONS FOR NOT PREFERRING UPI PLATFORM	
3.13	COMMON PROBLEMS FACED WHILE USING UPI PLATFORMS	
3.14	HAVE YOU FACED ANY FRAUDULANT ACTIVITIES WHILE USING UPI	
3.15	TECHNICAL ISSUES FACED WHILE USING UPI	
3.16	WERE YOU A UPI USER BEFORE COVID	
3.17	HAVE YOU OBSERVED A POST COVID INCREASE IN UPI USAGE	

LIST OF TABLES

FIG NO	TITLE	PG.NO
3.1	AREA AND EMPLOYMENT WISE CLASSIFICATION OF USERS OF UPI	

CHAPTER 1

INTRODUCTION

INTRODUCTION

In the recent digital era where internet and mobile phones are available to all, digital payment has been a trendsetter which enables people to carry cash transaction online. “The digital revolution has catalysed increases in the access and use of financial services across the world, transforming ways in which people make and receive payments, borrow, and save,” said World Bank Group President David Malpass. As of a report by The World Bank, two- third of the people around the world carry out digital transaction. Over 76% of adults now have official bank accounts, the pandemic has helped in to make the bank account ownership even more inclusive, as now more women and children are opening bank accounts. The share of population carrying out online transaction have increased from 35%in 2014 to 57% in 2021.¹

A report submitted in 2022 by International Monetary Fund states that, India’s digital payment volume has annually increased by 50% over the past 5 years. The recent pandemic has also led to a massive change in the global economy. People are pushed more towards digital cash payment than physical mode of cash transaction. Over 40% of the adult around the globe used digital payment for the first time during the pandemic. In India over 80 million people made their first digital merchant payment during the start of pandemic. This was enabled by the introduction of a unique real-time payment platform called Unified Payment Interface in India.²

Unified Payment Interface UPI is an advanced payment system that enables digital transaction of money from one account to another. It enables immediate payment in a much faster and smoother way. It provides 24 hours services. It is a joint venture of the National Payment Corporation of India (NPCI), Reserve Bank of India and Indian Bank Association. NPCI is an umbrella organisation used to control and operate retail payments and settlement system in India. By introducing UPI payment platform India has taken a major step in achieving a cashless economy.³

Going cashless is something preferred by most since it is the easiest, fastest and smoothest method of transaction of cash. This is where UPI Platform plays an important role as it enables people to pay bills online, schedule transaction and manage all financial transaction online. This is the most convenient and safest method to handle money as now people need not carry physical currency notes with them while going shopping. This to an extend reduces the loss of cash, helps curb corruption and also the circulation of black money. It also helps government

to have a complete account of money circulation in the economy, which eventually helps to channel money towards economic development of the nation.

UPI compiles multiple bank accounts into a single mobile application enabling customers to carry out various functions through on single application. UPI helps people to make business transaction directly from one bank account to another without entering their bank account or card details with instant authentication. This will slowly reduce the dependence on physical cash.

UPI is currently said to be the biggest system operated by National Payment Corporation of India. It was launched by NPCI in 2016 with 21 banks as members. Google pay, Phonepe, Paytm, Amazon pay and Bharat Interface for Money (BHIM) are some of the top UPI apps widely used in India.⁴

UPI has emerged as the most preferred mode of payment among consumers. According to a report by Business Standards, UPI merchant transactions accounts for 41% of Market share as of March 22, 2022. This growth in digital transaction was kick started during the pandemic year 2020-2021. India's digital payment industry is expected to grow in the coming years from Rs. 2153 to Rs. 7092 in the 2025. This will slowly reduce the dependence on physical cash in the economy.⁵

Indian economy's immense dependence on physical cash poses hurdles to many business owners who want to accept digital payment. UPI is the best way to reduce the reliance on physical currency. By switching to a digital payment, government can have a complete record of all the economic transaction and curb the existence of black economics, underground market, fake currency and other unfair practices that are damaging to the country's economy.

The period of global pandemic and Demonetization has pushed businessmen and customers to use more of digital payment than physical cash transaction. This is the main reason why people prefer UPI payments than cash now a days. It is more convenient and less time consuming.

In this study we will look closely on the different UPI platforms available in India and why people prefer UPI transaction over cash payment.

1.1 LITERATURE REVIEW

As mentioned in a blog published by Motilal Oswal, going cashless eases one's life and also helps to authenticate and formalise the transactions that are done. This helps to prevent corruption and the flow of black money which will eventually result in increased economic growth. It saves money and time by reducing the costs of accounting and handling cash. Crimes like theft can be decreased until people do not carry cash. The huge expenditure incurred in printing and transportation of currency notes can be reduced. The data coming from cashless transactions helps government to improve and analyse their policies. Such data obtained can be used for predicting the patterns of activity and for urban planning in sectors like energy management, housing, and transportation.⁶

When a country is stepping towards a cashless economy, a boost in economic growth can be expected. In countries like US higher card usage has contributed a higher consumption and a 0.1% increase in the GDP from the year 2011 to 2015. As there is a numerous payment options, online shopping gets easy for people. More spontaneous buying can be observed while making cashless payments. Apart from this there is health benefits too. Reducing paper currency will reduce germs transmission as there is a high chance of spreading germs through physical currency.⁶

As stated in an article published by Times of India (Aug 30, 2022), United Payment Interface (UPI) is the flag-bearer of the ongoing Financial Revolution in Modern India. It was a term unheard or unbelieved until April 2016. No one would have ever imagined robust cash-based economy like India would have a huge influx of digital payments. A large section of our society has adapted to UPI, from a tea vendor selling Rs 10 Chai to a showroom with a pricey product range. It utilises the mechanism for seamless payments. A year after the launch of UPI, the total number of UPI payments was 6% compared to 36% of Card payments. However, in FY 2021, UPI payment's share increased to 63%, while the percentage of Card payments reduced to 9%. The progressive advancement of UPI has constructed an efficient payment instrument and has connected millions on an inclusive and well-structured Digital platform.⁷

A report on 'UPI most preferred payment mode among consumers with 56% share: study' published by Business Standard says that Unified Payments Interface (UPI) has emerged as the most preferred payment mode among consumers, with a person-to-merchant market share of

56 per cent in volume terms in year 2021, according to a report by World line India. In value terms, UPI merchant transactions account for 41 per cent of the market share.⁸

Radhika Arora has mentioned in her study on ‘ Consumer Perception towards UPI and its Growing Influence in The Realm of Digital payments’ that several consumer transactions are being made at point of sale (POS) terminals each day. Most of these purchases is either through mobile banking or internet banking using a smartphone and a payment mode which is non-cash. The paper attempts understand the workflow of UPI vs Digital wallets. It also measures the consumer perception and acceptance of UPI based applications such as BHIM. It helps to UPI mode of payment with other types of digital transactions.⁹

The Economic Times (Sep 2022) published a report which states, the government’s push to digital transactions, improvement in internet connectivity and increasing use of smartphones are assisting the growth of online payments. And more and more merchants are utilising digital payment infrastructure. Besides, experts and market players said that increasing digital and credit card payments shows a rise in consumption amid recovery in economic activities with diminishing impact of Covid Pandemic.¹⁰

As stated in an article published by hrnxt (November 12, 2020), Unified Payments Interface (UPI) has become a boon to the Indian customers. It has made transactions a lot easier with the facility of instant payments and it’s feature of interoperability between banks is unique. With the introduction of UPI 2.O, consumers can also pay bills and make payments to merchants. In case of recurring payments, there’s also a facility of autopay. Besides, UPI has helped to create business for a lot of startups and Fintechs in India. Its network allows banks, payment service companies and e-wallets to link with the framework and create applications via a smartphone or a device.¹¹

According to a report released by The World Bank (June 29, 2022), The Covid pandemic has stimulated financial inclusion driving a large rise in digital payments amid the global expansion of formal financial services. This expansion has created new opportunities, narrowing the gender gap in account ownership, and building resilience at household level to manage financial shocks. As of 2021, globally 76% of adults have an account at a bank, other financial institution, or with a mobile money provider, up from 68% in 2017 and 51% in 2011. Growth in account ownership was evenly distributed across many more. ¹²

1.2 PROBLEM IDENTIFICATION

This study is carried out under the title “ **Consumers preference for UPI payment over cash Payment**”. Digital transaction is the most widely used mode of payment these days. Its use has increases immensely over the past 5 years.

In this research project we aim to study how the consumers in Ernakulam have shifted to digital payment mode. The method of payment has come across drastic changes over the decades. This has led to the implementation of a number of initiatives and technological upgradation to overcome economic problems like black money, corruption, illegal transaction etc. So, the reserve bank has come up with a unified payment platform where all the transactions are monitored and controlled for an efficient money system in the country. This is the Unified payment interface (UPI).

For the above-mentioned changes to take place, each person as a consumer will have to adopt the new digital payment system UPI. Through this project we have done an analysis on how far the consumers prefer UPI payment over cash payment.

1.3 OBJECTIVES

- To understand the different types of UPI payment platform and most preferred one by consumers
- Analyse consumers preference for UPI payment over cash payment

1.4 THEORETICAL FRAMEWORK

The study of consumers preference for UPI payment over cash payment is attributed to the Diffusion of Innovation theory. The Diffusion of innovation theory introduced by Everett Roger in 1962 aims to explain how a new product, service or process spreads through an entire population. The rate at which consumers adopt new technology. Here in this study, we try to analyse the shift of consumers from the traditional cash payment system to the new online payment system. How many are comfortable and willing to adopt the new mode of payment.

1.5 METHODOLOGY

The methodology used in this study is a systematic and theoretical analysis of the data collected. It is based on both Primary and secondary sources. The primary data are collected using direct personal investigation and Questionnaire method. The questionnaire includes personal questions like age, marital status as well as questions relates to peoples preferred mode of payment. The secondary data is collected from online websites and books.

1.5.1 AREA OF STUDY

The area of study is limited to Ernakulam district in Kerala. Kerala is in the 4th position out of the top 10 states in India which prefer UPI payment over cash payment. In Kerala Ernakulam is in the top position followed by Trivandrum.

1.5.2 SCOPE OF STUDY

Both primary and secondary data are used for the study.

1.5.3 SAMPLE SIZE

A total of 83 samples were evaluated for the study.

1.5.4 PERIOD OF STUDY

All data collected were collected during 2022-23.

1.5.5 STATISTICAL TOOL

The data collected were analysed using simple statistical tools such as percent, pie diagram and bar charts.

1.5.6 TYPE OF ANALYSIS

The study is both descriptive and analytical. It involves the study of consumers preference for UPI payment over cash payment. It analyses and interprets the data collected by applying appropriate analytical tools.

1.6 SCHEME OF STUDY

The scheme of study was organised in the following way

Chapter one

The first Chapter deals with introduction review of literature ,objectives, present relevance of the study, methodology, theoretical framework, limitations of the study.

Chapter two

The second chapter deals with an overview of consumers preference of UPI payment over Cash payment.

Chapter three

The third chapter deals with the analysis and interpretation of consumers preference for UPI payment over cash payment. We have done the analysis using the primary data collected through questionnaire and direct personal investigation method.

Chapter four

The fourth chapter deals with the findings ,recommendations and conclusion of the study.

1.7 LIMITATIONS OF THE STUDY

- The sample taken for the study are small compared to the population entitled therefore the result cannot be applied generally.
- The time allotted for the study was limited so thorough study was not undertaken

CHAPTER 2

AN OVERVIEW ON

UNIFIED PAYMENT

INTERFACE

2.1 BACKGROUND

India's payment system has evolved over years. From simple barter system of exchanging goods for goods to using currency for buying goods and services, our economy has progressed

a lot. With the emergence of digital revolution even the lower sections of the society have access to internet and mobile phones. This has made it much easier to buy goods as well as services online.

Making bill payments, purchasing food items, paying utility bills are all made much easier and faster through the process of digital payment. Everything is available at our fingertips. This itself has made our economy faster and ultimately this was made possible due to the emergence of a system called Unified Payment Interface. We all use payment platforms like Phonepe, Google Pay, Amazon pay, Paytm etc. The transactions on these apps takes place via UPI.

Unified Payment Interface is a system that enables advanced digital payment from one account to another. It is developed by National Payment Corporation of India (NPCI). Customers can link bank accounts of different banks into one application. This is the basic idea of UPI. In India, Tamil Nadu is the state with the highest number of digital transactions followed by Maharashtra, Karnataka, Andhra Pradesh, Kerala, Gujarat, Delhi, Uttar Pradesh, Telangana and West Bengal in the top 10 positions.¹³

Kerala comes in the 5th position out of top 10 states using UPI transaction. In Kerala, Ernakulam is the district with highest number of digital transactions taking place.

In this project we are focusing on analysing the economic impact of UPI payment and why people prefer digital payment over cash transaction in Ernakulam. We also study about the different UPI platforms used and which platform is most preferred by people in Ernakulam.¹⁴

The main motive of this study is to analyse the consumers preference for UPI payment over cash payment. Why there is a sudden increase in digital payment. What are the positive and negative economic impact of UPI payment.

2.2 COMMONLY USED UPI 3rd PARTY APPS IN INDIA

There are 23 UPI 3rd party apps used all over India. These are as follows :

- Amazon Pay
- Bajaj Finserv

- Bajaj Market
- Coin Tab
- CRED
- Fave
- Goibibo
- Google Pay
- Groww
- Jupiter Money
- Make My Trip
- Mobikwik
- Phonepe
- Samsung Pay
- Slash
- Slice
- Super Pay
- Tata Neu
- Time Pay
- Tvam
- Ultracash
- Whatsapp
- Yuva

In India, there are a number of UPI platforms that are commonly used. The most preferred platforms are Google Pay, Paytm, PhonePe, BHIM, Amazon Pay. ¹⁵

GOOGLE PAY: The most used UPI platform in India, developed by Google. It is available on both Android and iOS devices and allows users to send and receive money directly from their bank accounts. As of November 2020, Google pay has 960.02 million transactions in volume with Rs 1,61,418.19 Cr in transaction value. Using Google Pay, users can send money to friends, pay their bills, shop online, recharge etc.¹⁶

PAYTM : Paytm was founded on August 2010 in Noida by Vijay Shekhar Sharma. It is available on both Android and iOS devices. Paytm users can perform almost each and every

activity related to online payments on its app. And that's why it is certainly the most used payment app and is third in our list of best UPI apps in India. As of November 2020, Paytm has 260.09 million transactions in volume with Rs 28,986.93 Cr in transaction value. From making online Payments to buying household items, groceries, IRCTC train ticket booking, bus & flight booking, movie tickets, LIC premium payment, metro card recharge, buying gold, making loan payments, paying e-challans & more, everything can be done on this app.¹⁷

PHONEPE : Phonepe was founded in December 2015 by Sameer Nigam, Rahul Chari and Burzin. . It is available on both Android and iOS devices and allows users to send and receive money, pay bills, and make online purchases. It is also integrated with several banks and allows users to instantly transfer money from their bank accounts. PhonePe not only helps in making UPI payments but users can also recharge, make online bill payments, order food, shop, etc. all in just one app. As of November 2020, Phonepe has 868.40 million transactions in volume with Rs 1,75,453.85 Cr in transaction value. Having one of the simplest interfaces with the safest and fastest online payment experience in India, PhonePe is definitely one of the best payment apps in India and better than most of the other UPI payment apps or internet banking services.¹⁸

BHIM (Bharat Interface for Money): . It is launched and managed by National Payments Corporation of India (NPCI), BHIM (Bharat Interface for Money) is a UPI enabled the initiative to facilitate safe, easy & instant digital payments through your mobile phone. As of November 2020, BHIM App has 0.31 million transactions in volume with Rs 13.87 Cr in transaction value. . It is available on both Android and iOS devices and allows users to send and receive money, pay bills, and make online purchases.¹⁹

AMAZON PAY : Amazon pay is owned by Amazon. It was launched on February 2019. As of November 2020, Amazon pay is the fourth biggest app used for making UPI transactions. Amazon pay got 37.15 million transactions in volume with Rs 3,624.51 Cr in transaction value in this month. Having the big brand of Amazon definitely helped Amazon Pay to scale at such a fast pace in India within a small-time frame.²⁰

2.3 EVOLUTION OF UPI

National payment corporation of India is an initiative of Reserve bank of India and Indian Banks' Association which was formulated in April 2009. The prime objective of initiative was

to integrate all the payment mechanism and to construct a uniform retail payment system. Over 145 million families in India have no access to any form of Banking system also black money and corruption were a major issue that hindered the economic growth. These issues were creeping up because of unmonitored cash flow. As a result, Unified payment Interface was introduced in 2016.

RBI was committed towards formulating a safe, inclusive, efficient and accessible payment system in India. As part of green initiative RBI wanted to reduce the usage of paper currency.

Thus, UPI was introduced to meet all the above-mentioned demands. UPI is a real time payment interface developed by NPCI which facilitates P2P and P2M transaction. It is a mobile app used to transfer fund from one bank account to another. Over 358 banks are available on this platform as of September 2022 with a monthly transaction of 6.6 billion.²¹

2.4 ECONOMIC IMPACT OF UPI

The Indian economy is versatile. The payment system has evolved over time from very basic barter system to online exchange of money. This immediate shift of people from cash payment to digital payment was a result of many major events. These are Demonetization, lockdown due to Coronavirus, rapid digitalization.

The introduction of UPI has made the financial system more inclusive and accessible to anyone with a mobile phone and number linked to bank. It encourages people to shrink the dependence on paper cash. The growth of digital payment has improved the economic activity and cash flow situation of the businesses as the payments are instantaneous.

Up until a few years ago, India was purely a cash-based economy where majority of the population felt uncomfortable to make payments online using cards or internet banking. But today, it has changed a lot, cash payments have been replaced by online alternatives of payments such as e-wallets and UPI apps. A special place is held by the UPI network because of the shift in the payment infrastructure in the country. It was developed first by NPCI (National Payments Corporation of India) and later United Payments Interface became the face of the cashless movement in India. People has completely changed to using UPI for both online and offline purchases because of the convenience and interconnectivity of the service.²²

At present, UPI is the largest retail payment platform in the country.

One of the reasons for UPI becoming the preferred payment system in India is that it can be used on any of its third-party apps such as Google Pay or PhonePe. But there is an interconnectivity through the use of the virtual payment address or UPI ID generated for each user. UPI's user-friendly feature is very helpful that it allows users to make payments to other users using the UPI ID, whether or not they are on the same app. Apart from this, UPI removes the step of having to top up virtual wallets. Instead, it is directly tied to the user's bank account. This feature makes it super convenient to withdraw or deposit money directly to the bank account. Recently, to integrate the rural population to the payment structure, the NPCI has initiated the effort to make smaller UPI transactions without the use of internet.²³

During the pandemic, UPI saw the most enormous rise in the number of its monthly transactions. Due to the lockdowns, most people couldn't go out and were stuck in their homes, unable to make cash payments and had to largely rely on online deliveries and payments. Another benefit of lockdown was people began to find entertainment online through many apps and websites such as PUBG, IPL which allowed them to play and make money. These kind of apps and websites helped a lot in promoting the use of convenient payment services such as that of UPI. The e-commerce industry during pandemic has also had an immense role in the massive growth of the UPI payment industry. Cash on delivery option was not available due to the "No Contact Delivery" parameters, UPI was the next best option to make essential payments.

Greater convenience in using UPI for digital transactions is one of the main reasons why people prefer them over cash. People want everything at their fingertips, that's human nature. UPI ensure easy transactions like payment of mobile bills, electricity bills, house rent, etc with one tap of the finger. There is no need to worry about safety since people won't carry cash in their hand anymore. Otherwise, anyone can use your cash if they steal your wallet. Digital transactions, on the other hand, have made things so much easier. If you forget to take your wallet, you can still make payments using UPI or other digital payment methods. Improved security features of UPI are a basic advantage that ensures safety. Many digital payment systems are protected with special codes and sensors. Even if someone steals your smartphone, they would find difficult to assess your bank account from your e-wallet system.

Digital payment systems like UPI helps to keep track of user's payments. With cash payments, people have to maintain a manual record of transactions which includes each and every

payment from large to small. It is an inconvenient process because it is a time-consuming and boring task and one may fail to remember all transactions occurred during a particular period of time. Digital payment systems automatically record all the transactions with necessary information like date, time, amount, etc. This helps in cutting down excessive spending and becoming more frugal.

No bank visits are an attractive advantage of digital transactions. Visiting a bank for minute reasons is a daunting task which people keep pushing because it can be a long and tiresome process. Standing in long lines, having to visit multiple tellers before you finally get what you want is a tedious task. To get a DD, often it takes around 24 hours. Even waiting in long ATM queues isn't a great way to spend time. Almost all kinds of bank-related services are provided through digital payment platforms which makes everything easier. People opt for digital transactions because there are multiple digital payment options. People have many options to choose such as several UPI options, debit cards, credit cards, NFC, etc. all are aided by highly secure payment gateway systems. There is absolutely no delay of any kind.²⁴

2.5 POSITIVE IMPACT OF UPI PAYMENT

- UPI enables real-time money transfers via mobile devices 24 hours a day, 365 days a year.
- It gives access to multiple bank accounts through a single mobile application.

- It offers single – click two - factor authentication while also offering single – click payment.
- The customer’s virtual address offers incremental security because the customer is not required to enter details such as Card number, Account number, IFSC code, etc.
- This application allows you to share bills with your friends.
- It is highly useful alternative to the hassles of Cash on Delivery or running to an ATM to withdraw money for making payments.
- UPI can be used to pay utility bills, make online payments, and make barcode (Scan and Pay) Payments.
- Smooth transaction

While net banking and mobile banking requires the customer to undergo multiple preliminary steps ranging from registration of payee or beneficiary, generation of OTP etc. The same goes for mobile or digital wallets as well wherein the money has to be ultimately transferred through bank accounts using a long and tedious processes. UPI has a remarkable edge over net banking as it eliminates the hassle of third-party payments.

With UPI, a real – time transfer of money happens between bank accounts using smartphones. Instead of installing multiple apps for different banks, UPI brings it all under one umbrella.

2.6 NEGATIVE IMPACTS OF UPI PAYMENT

- People with proper internet connectivity can carry out UPI transactions.
- A person with smartphone can only carryout UPI transactions.
- When the bank server is down a person is unable to carryout transaction.
- There are high chances of fraudulent activities to take place online.

CHAPTER 3

AN ANALYSIS OF THE

CONSUMERS PREFERENCE FOR

UPI PAYMENT OVER CASH

PAYMENT

ANALYSIS OF CONSUMERS PREFERENCE FOR UPI OVER CASH

PAYMENT

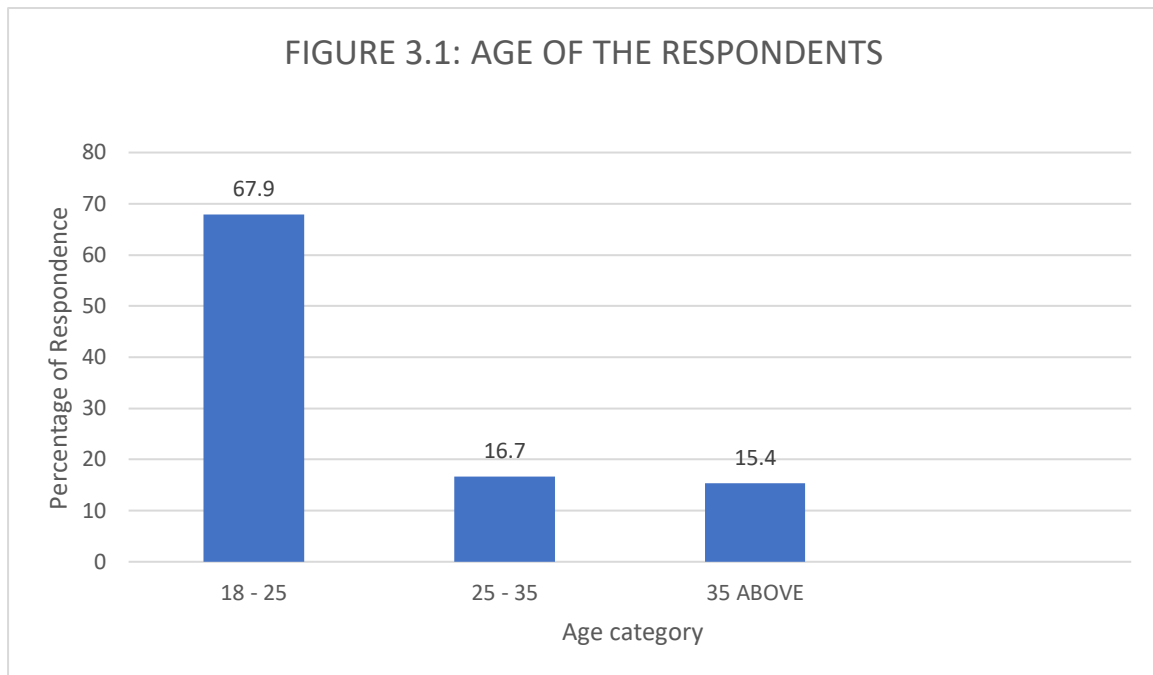
This chapter aims to analyse the responds of consumers from various segments of the society and their preference for UPI payment over cash payment. The respondents belonging to the sample are from Ernakulam, Kerala. The study evaluates the consumers preferred mode of payment while shopping, whether they prefer UPI payment mode or cash payment and why they do so.

Data from various levels of the society have been surveyed and the collected information has helped us achieve our aim of studying the preference of consumers regarding the mode of payment they prefer. Whether the consumers are preferring UPI over cash or not? The answer to this question has been answered from the analysis we conducted.

This section presents the findings from the research and aims to analyse the result together with the theoretical framework. The survey structure is summarized and the findings of the survey are analysed and finally discussed.

3.1 AGE WISE CLASSIFICATION

This survey was conducted among the consumers in Ernakulam to analyse the age wise difference in the preference for UPI. The sample was divided into 3 age groups: 18-25, 25-35 and 35 Above.

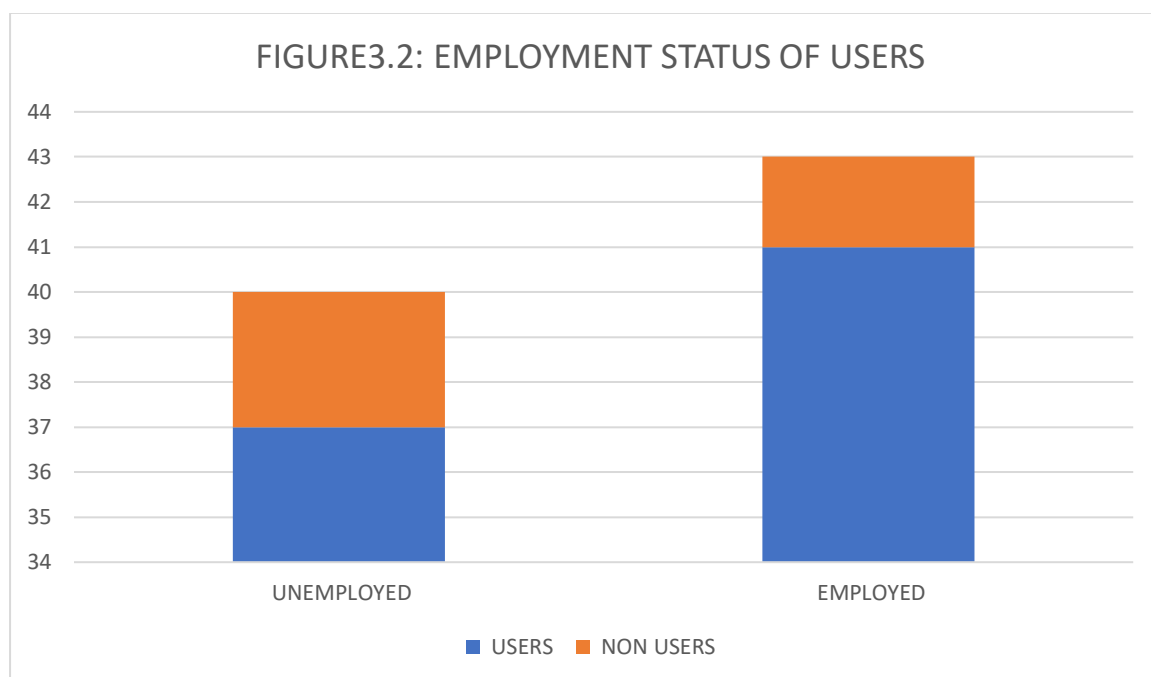


Source : Primary data

The respondents were categorised based on their age group. This was done to study the age wise preference for the payment mode. From the above graph we observe that about 67.9% of the age group 18-25, 16.7 % of the age group 25 – 35 and 15.4% of the age group 35 above prefer UPI payment method. This shows that the people of the age group 18-25 use UPI payment more than people of the age group 25 – 35 and 35 Above. This is because people of this age group are more updated and can grasp technical knowledge much faster as compared to other age groups.

3.2 EMPLOYEMENT STATUS OF RESPONDENTS

This shows the categorical representation of the employment status of the respondents. They were divided as employed and unemployed and the users and non-users in each of these categories are also shown.



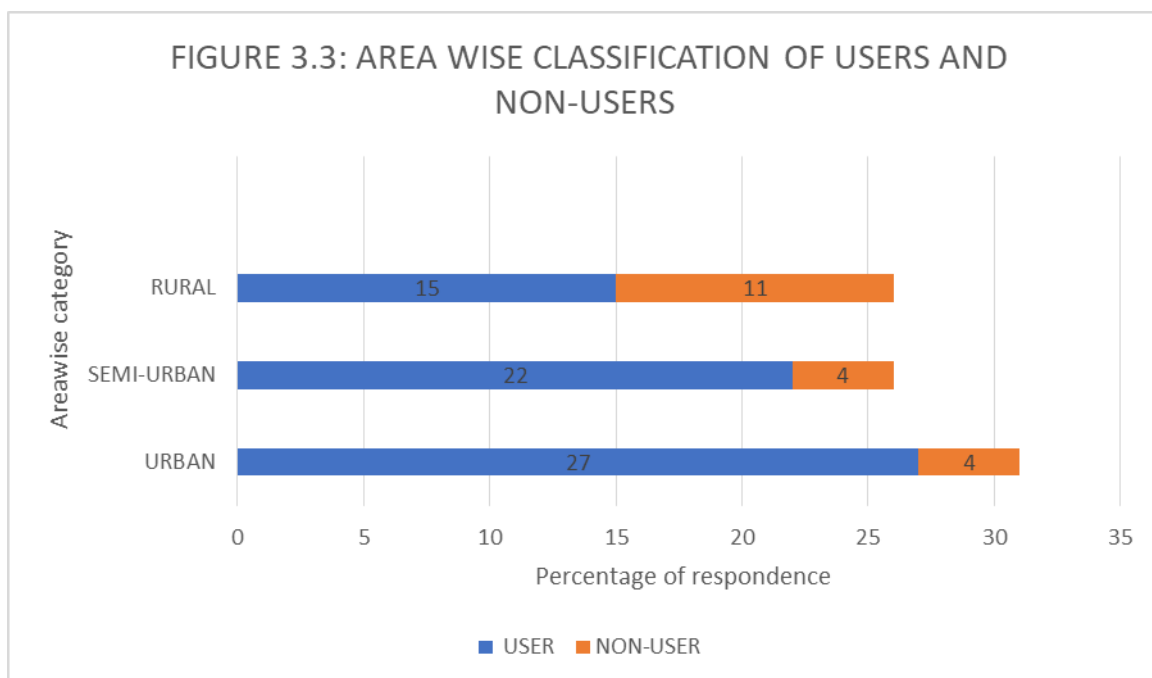
Source: Primary data

The above analysis shows the usage of UPI payment among people who are employed and who are not employed. Among respondents who are unemployed, 93% are users and rest 8% are non-users. Among the employed population, 95% are users and rest 5% are non-users. This Bar diagram shows that people who are employed as well as those who are not employed use UPI payment but there is a variation in the usage pattern among both, among employed population majority are using UPI payment because they have regular earnings since they work in private, public sectors. So, they have sufficient balance in their account to carry out payment whereas among unemployed population, their overall usage is less compared to the employed population but still they use because majority of the unemployed are from the student category

who require money for their daily requirements like stationary, food, cloth, travel etc. They use their pocket money for these expenses. It is a common opinion from the students that they find UPI payment more convenient than handling liquid cash

3.3 AREA WISE CLASSIFICATION

The graph below shows the classification of respondents as per their area. They have been divided into 3 categories: Urban, Semi-urban and Rural. The users as well as the non-users in each of these areas have been shown in the bar diagram below.



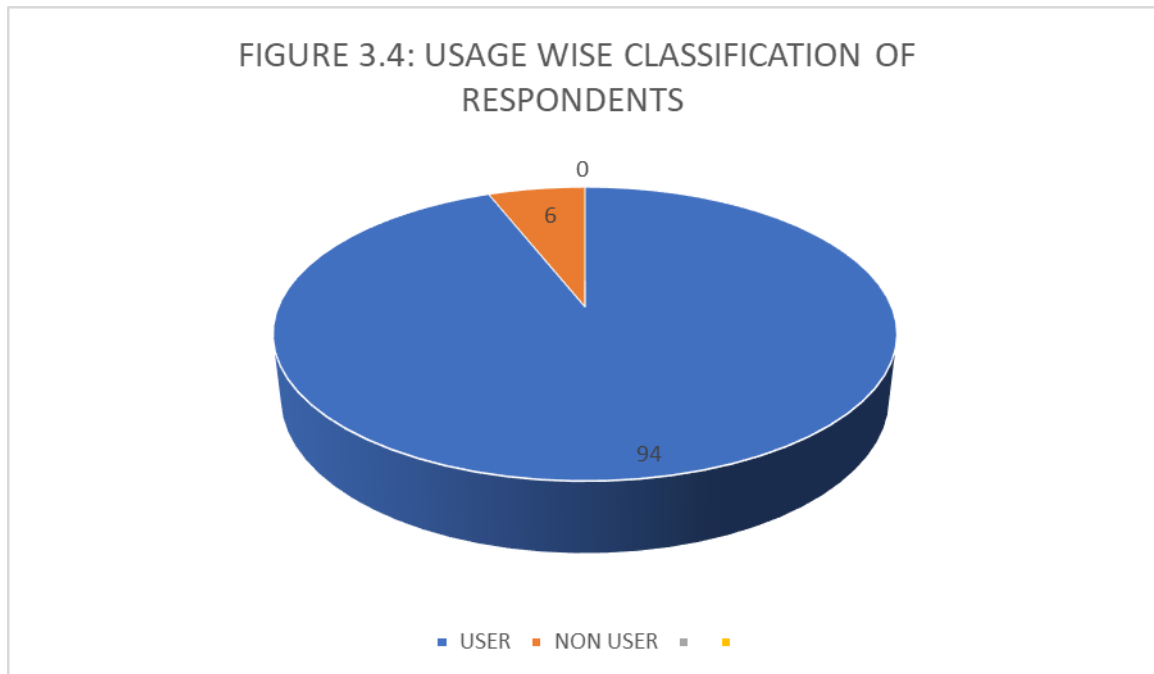
Source: Primary data

The samples were collected from urban, semi-urban and rural areas in order to study the area wise usage of UPI payment. Urban area has the maximum number of UPI users compared to semi-urban and rural areas. In urban area, over 87% are users and rest 13% are non-users. This is because of the fast growing technological as well as infrastructural facilities in this area which facilitates the increased usage of UPI. In semi-urban area the rate is 85% are users and 15% are non-users. Here the number of non-users has increased. In rural area the 58% are users and 42% non-users. This is because of the poor technological and infrastructural progress. Poor

internet connectivity, lack of knowledge poses as a barrier for people in rural and semi-urban areas.

3.4 CLASSIFICATION BASED ON USAGE

The pie graph shown below shows the UPI usage status of the entire sample collected. This analysis shows a detailed analysis about the usage of UPI by the respondents in detail.



Source: Primary data

The above pie diagram shows the percentage of UPI users. Out of the total 83 samples 78 are users and 5 are non-users of UPI platform. The following table will show an in-depth analysis.

Table 3.1

AREA	AND	USER	NON-USER
EMPLOYMENT			
STATUS			

Rural- unemployed	10	2
Rural - employed	11	-
Semi urban unemployed	6	-
Semi urban employed	12	2
Urban unemployed	17	1
Urban employed	22	-
TOTAL NO	78	5

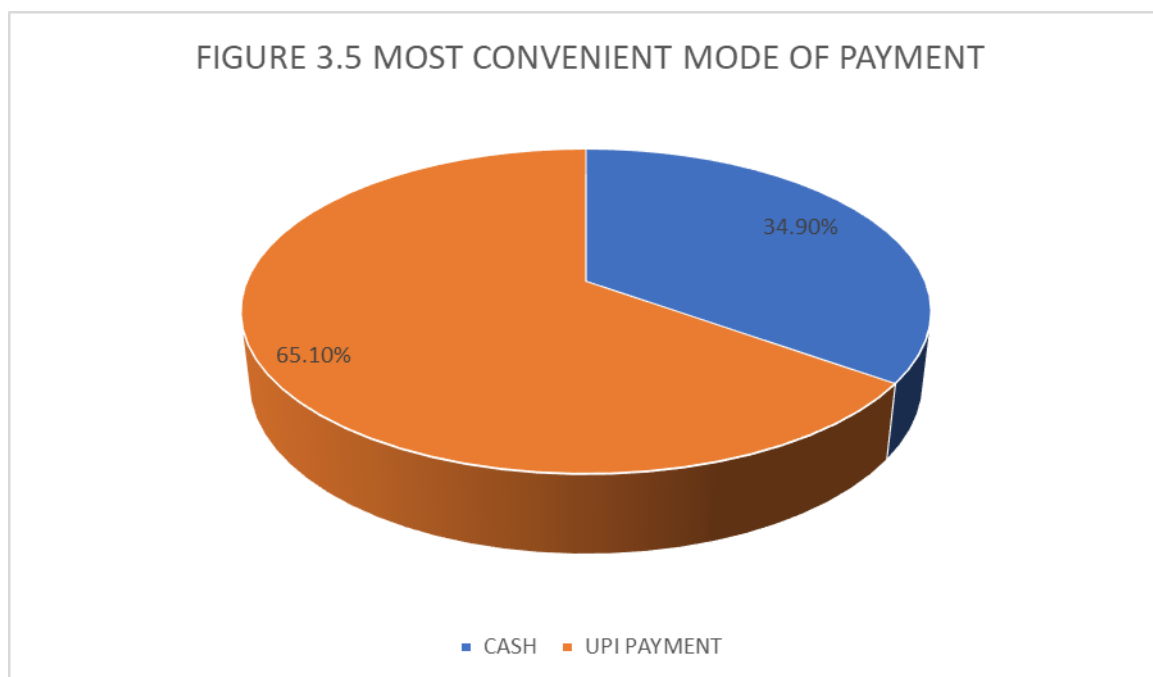
This table clearly shows the usage status of respondents from 3 areas of society as well as the usage of employed and unemployed. Here we can see that majority of users are from Urban employed category and majority of the non-users are from rural-unemployed and semi-urban employed. This categorical difference is because of the following reasons:

1. Lack of Technological infrastructure facilities (poor internet connection, No mobile phone)
2. High cost of maintenance of gadgets
3. Lack infrastructural facilities (like no bank account, poor electricity supply, Poor cable connection)
4. No required knowledge to use the new technology
5. No proper system of technical support nearby.
6. Lack of interest to switch to modern payment system
7. Fear of fraudulent activities and loss of money

These are some of the reasons quoted by the respondents for not using the UPI platform. Whereas a vast majority have adopted the new technology and are comfortable using the UPI platform as it is safe, reliable, convenient, less time-consuming mode of payment.

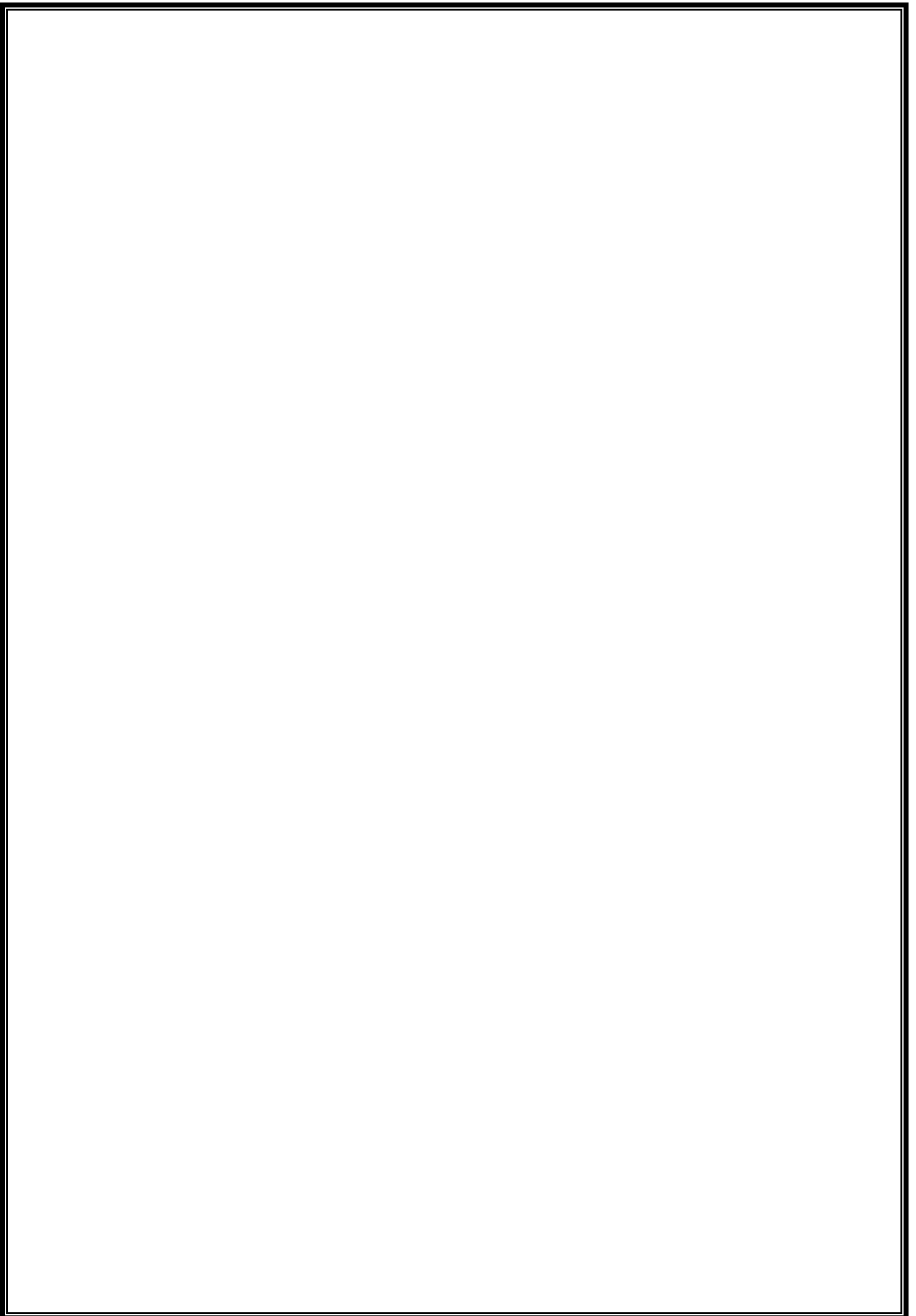
3.5 IS CASH PAYMENT MORE CONVENIENT THAN UPI PAYMENT?

The pie chart below shows the respondents choice for the most convenient mode of payment. The options given are: cash or Upi payment.



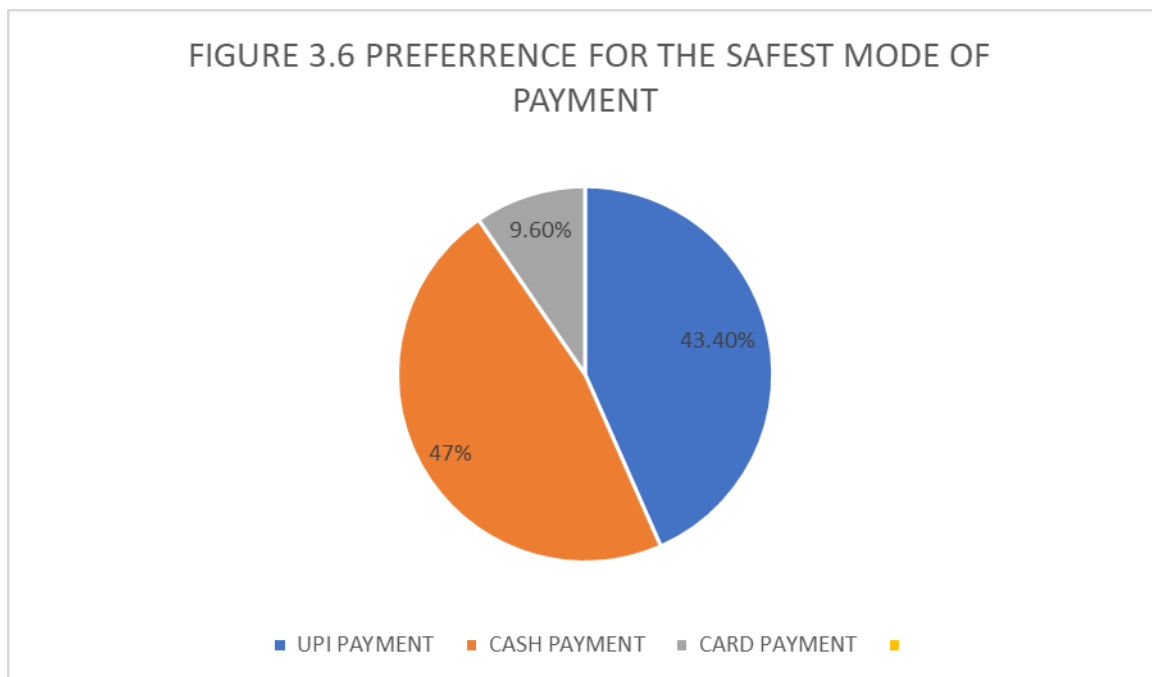
Source : Primary data

The above graph shows the analysis of the convenience of consumers . Out of the total 83 response 29 finds cash payment more convenient and 54 finds UPI payment more convenient. The response are of the opinion that UPI payment is the most convenient option for payment. This is because it is less time consuming and most effective mode of payment. A person can send money to anyone at anywhere at any time of the day. There is no shortage of the availability of money. Where as in case of the availability of liquid cash, a person should visit the ATM. This itself is a valid reason.



3.6 CONSUMERS PREFERENCE FOR THE SAFEST MODE OF PAYMENT

The below pie chart shows the safest mode of payment preferred by the respondents. This is to analyse whether the respondents feel UPI is a safe mode of payment or not. We have given 3 options : cash, card and UPI out of which they can make a choice.



Source: Primary data

The above graph shows the consumers preference for the safest mode of payment. Out of the total 83 response, 36 prefer UPI as the safest mode of payment. 39 prefer cash transaction as the safest mode of payment and 8 prefer card payment as the safest mode of transaction. Majority of the response prefer cash payment as the safest mode as compared to UPI and card. While interacting with the response they said that digital transactions sometimes lead to fraudulent activities like :

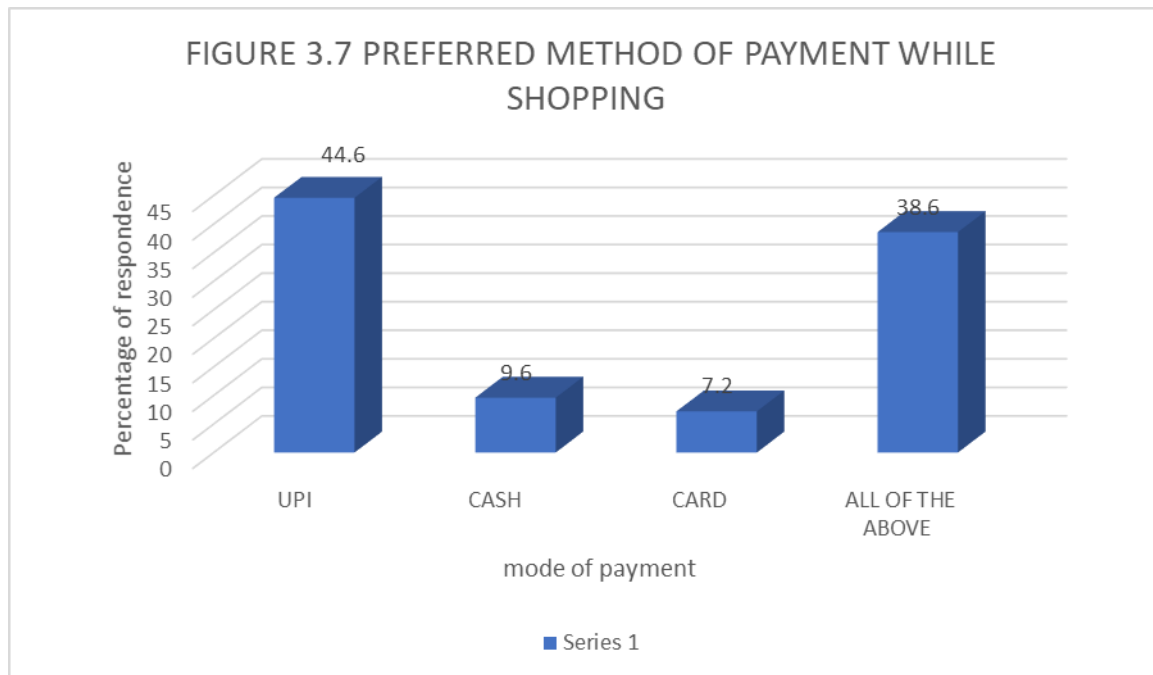
1. Loss of money through phishing
2. Unauthorised gain of information from your account through hacking
3. Opening links send from unauthorised accounts.
4. Fraudulent act from the side of merchants which leads

There are few people of the opinion that they are unable to do digital transactions at times as they face technical issues. Response also suggested that at times they cannot rely on digital

transaction and card transaction due to connectivity issues due to which they conclude that the safest and most reliable mode of payment is cash payment.

3.7 CLASSIFICATION OF THE PREFERRED METHOD OF PAYMENT WHILE SHOPPING

The bar graph given below shows the most preferred mode of payment while shopping by the respondents. 4 options were given: UPI, cash, card and All of the above.

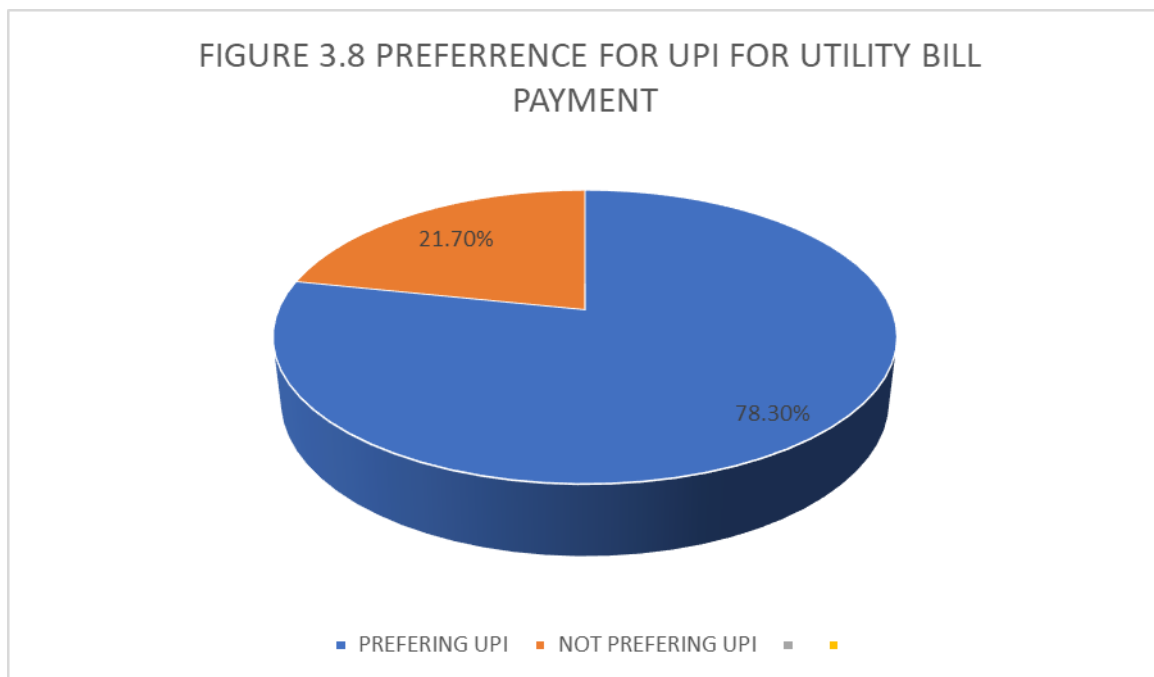


Source: Primary data

The above graph shows the analysis of the preferred mode of payment of consumers while shopping. Out of the total 83 response, 37 prefer UPI payment. 8 prefer cash payment. 6 prefer cash payment and 32 prefer all of the above-mentioned methods of payment. Majority of the response prefer UPI as preferred mode of payment as compared to cash and card as it is a much easier and safe compared to other mode of payment. Respondents find UPI transaction much fast and safe compared to card transaction because of security reasons, since while paying using card one will have to reveal his/her account number in front of everyone and in case of cash, one may not always carry cash in bulk amounts all the time.

3.8 PREFERENCE FOR UPI PAYMENT MODE FOR PAYING UTILITY BILLS

The below pie diagram shows the preference of UPI payment for paying utility bills. This is to analyse whether the consumers prefer using this mode of transaction for making petty payments.



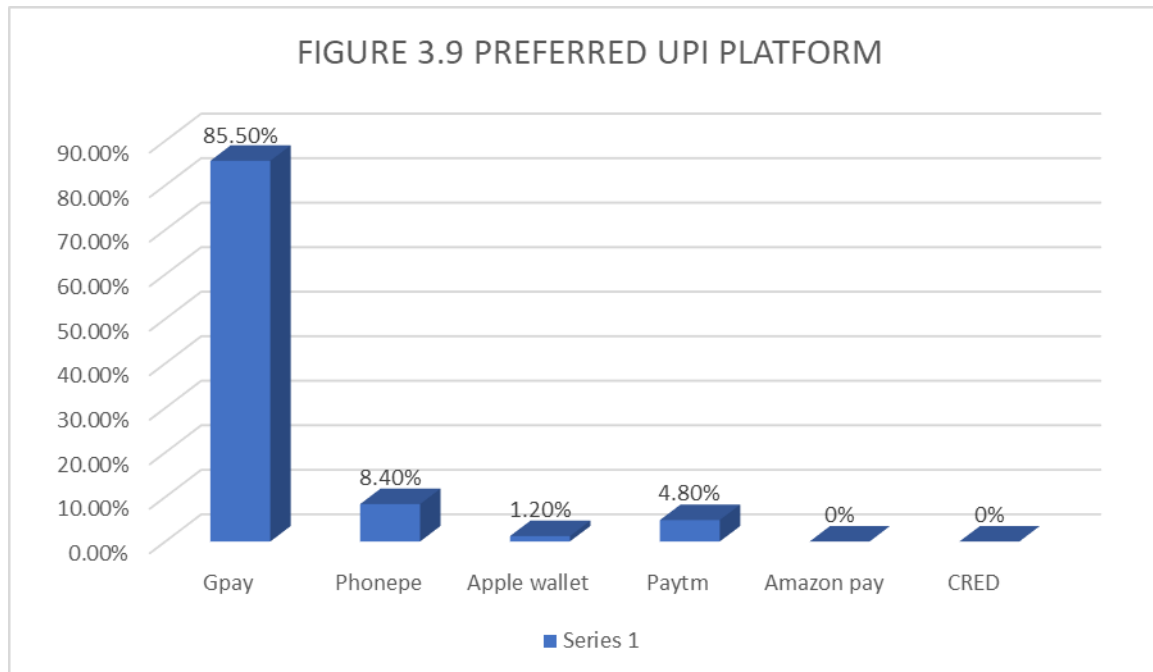
Source: Primary data

Fig : 3.10

The above graph shows the analysis for the consumers preference for UPI payment while paying Utility bills. Out of the total 83 respondents, 65 prefer UPI while paying utility bills and 18 do not prefer UPI while paying utility bills. UPI platform provides a separate option for people to pay utility bills which makes it much easier for them to pay electricity, gas, water bills. This is a much more cost effective and efficient option. Majority of the consumers are making use of the utility bill payment facility in their UPI platform which shows that people are making use of this facility.

3.9 MOST PREFERRED UPI PLATFORM

The bar graph below shows the respondents most preferred UPI platform out of the 6 options given : Gpay, Phonepe, Apple wallet, Paytm, Amazon pay and CRED.



Source : Primary data

The above graph shows the analysis of consumers preferred UPI platform.

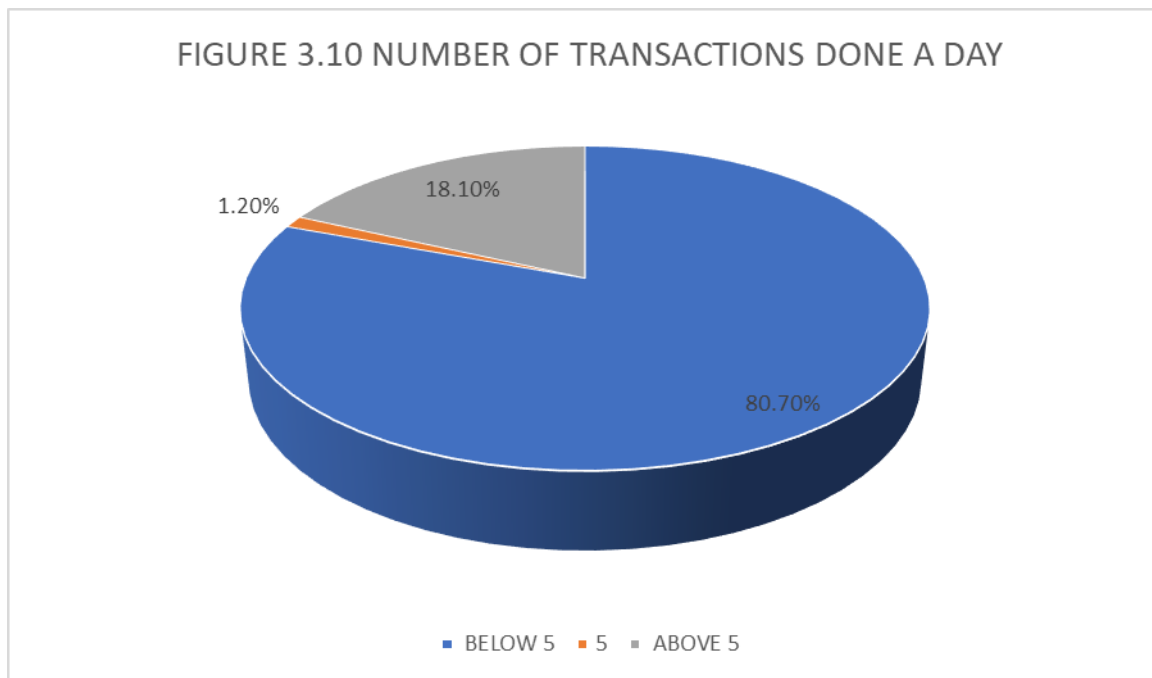
Out of 83 response, 71 prefer Gpay, 7 prefer Phonepe , 4 prefer Paytm and 1 prefer apple wallet. It is clear that majority of the UPI users prefer Google pay platform. The reasons are:

1. Most secured platform as it provides 4-digit and 6-digit pin code before one can make a payment. This prevents an anonymous user from transferring money from your account.
2. Widely known
3. User-friendly interface
4. Easy to handle the platform
5. Numerous cashbacks and rewards and games which encourages users to use it more.
6. No transaction charges levied from the account holder.

These are some common reasons why the respondents prefer google pay over other payment platforms.

3.10 CLASSIFICATION BASED ON THE NUMBER OF TRANSACTIONS DONE A DAY

The pie chart below shows the number of transactions that a respondent does in a day. There were 3 categories : Below 5, 5 transactions and Above 5 transactions.



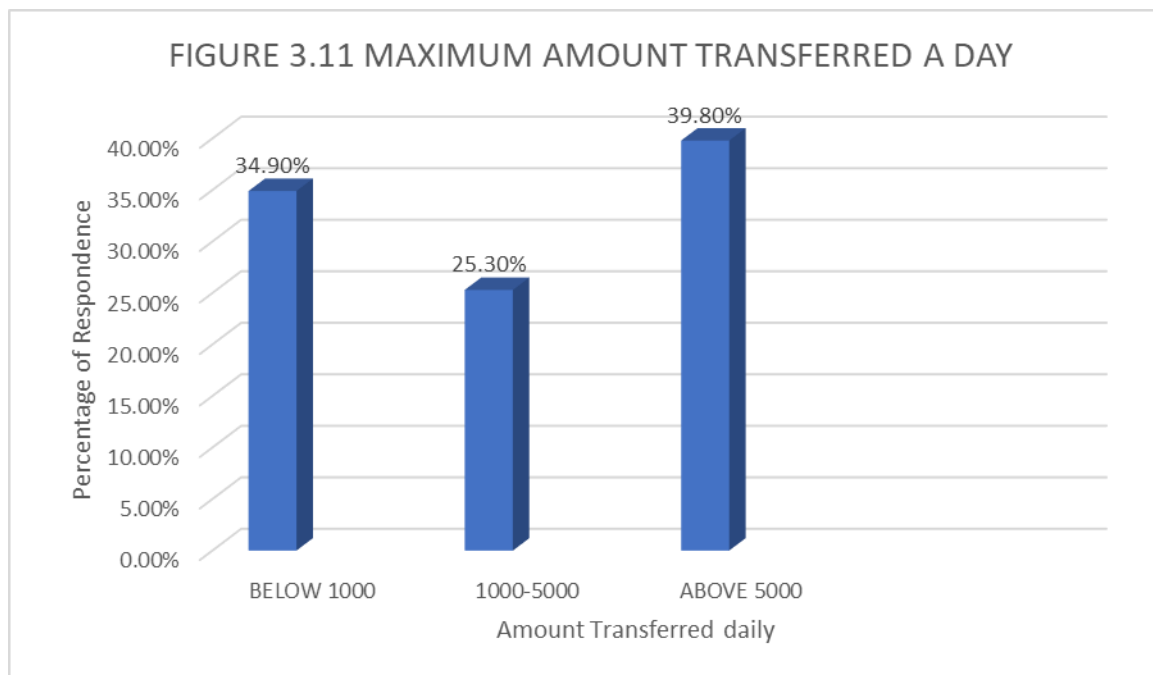
Source: Primary data

The above graph shows the analysis of the number of transactions done a day by an individual respondent.

Out of the total response of 83, 67 response carry out UPI transactions below 5. 1 respondent carry out 5 transactions and 15 carry out more than 5 transactions. Majority of the response who do transactions below 5 are employed people who have monthly earnings above 30000. They do transactions below 5 in order to save money, respondents in this category have more saving mentality compared to unemployed. Whereas the category of people who do transactions above 5 are mainly students because they do carryout petty shopping like food, cloth, transportation etc. These needs increase their daily transaction to above 5.

3.11 MAXIMUM AMOUNT TRANSFERRED IN A DAY

The graph below shows the maximum amount that a person transfer in a day. 3 options were made : Below 1000, 1000-5000 and Above 5000.

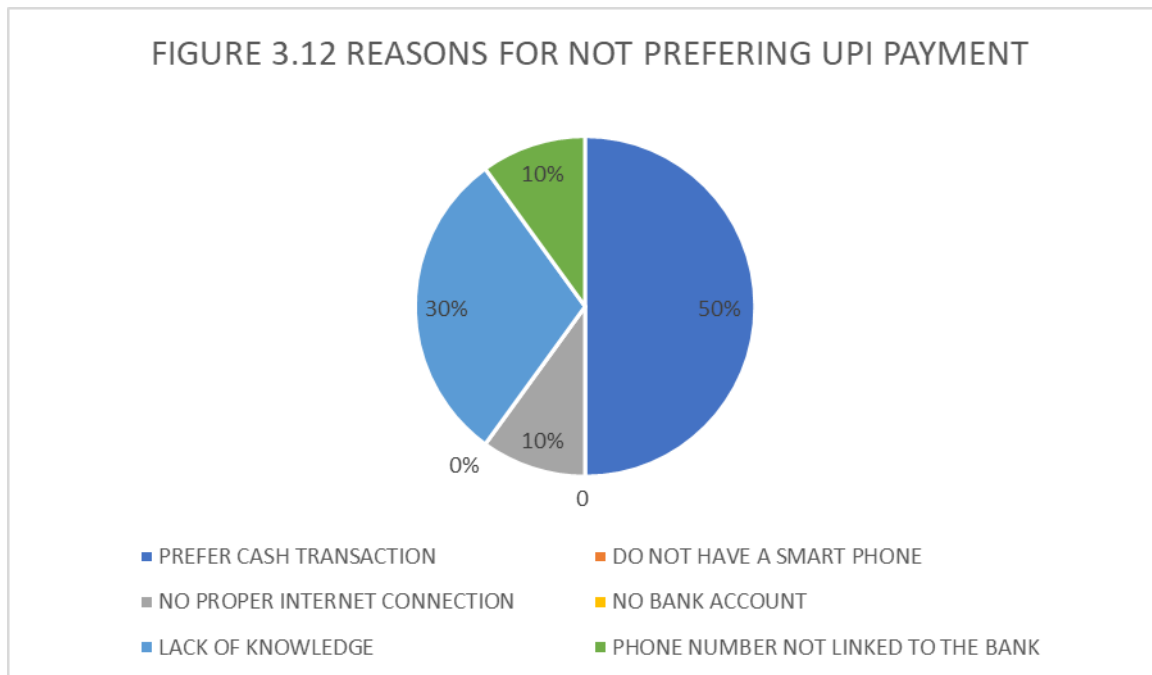


Source: Primary data

The above graph shows the analysis of the maximum amount transferred using UPI in a day. Out of the total 83 response, 29 transferred amounts below 1000. 21 have transferred amount between 1000-5000 and 33 have transferred amount above 5000. The response of the consumers was that they used UPI to pay for online shopping like for cloth and food, along with that they use UPI for miscellaneous expenses as well. All this would cause them to spend a huge amount. Over 85% of the respondents who carryout transaction above 5 are employed. They might carryout huge purchases on grocery and other miscellaneous expenses. This is one reason why there is a rise in the amount transacted.

3.12 ANALYSIS OF THE REASONS WHY PEOPLE DO NOT PREFER UPI PAYMENT

The pie chart below shows the various reasons why the non-users of UPI do not prefer UPI payment. There were 6 reasons given they are as follows.



Source: Primary data

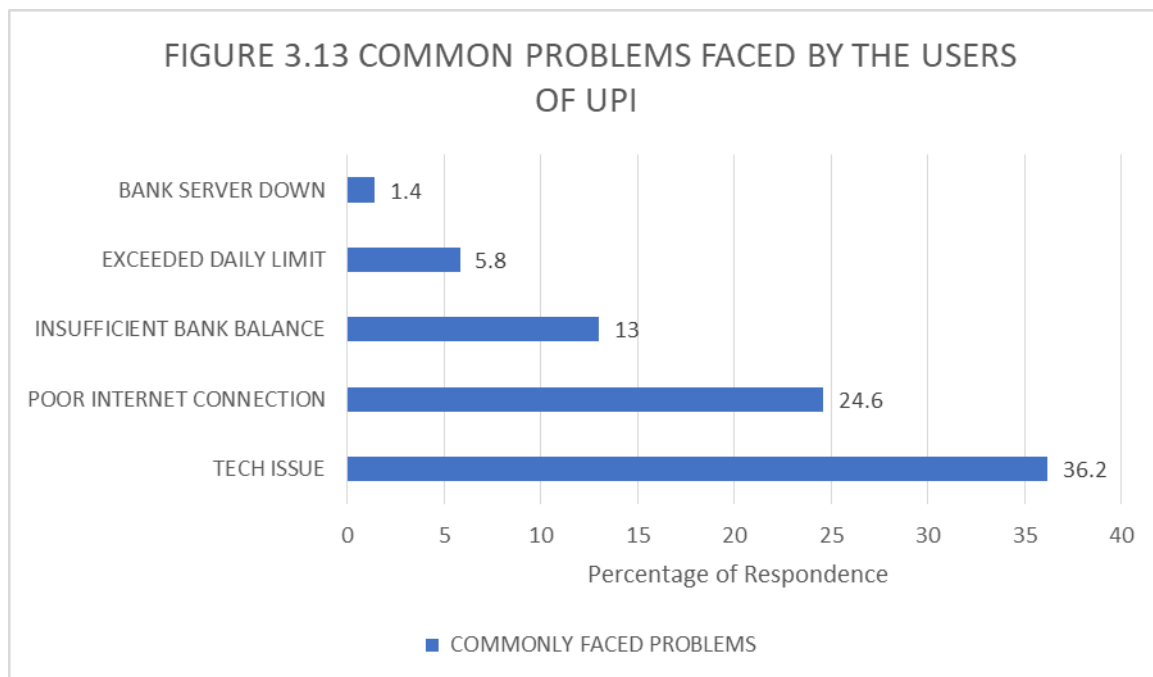
The above graph shows the analysis of the reasons why consumers do not prefer UPI payment mode. A total of 10 respondents do not prefer UPI payment. Out of the 10, 5 prefer cash transaction. 1 has poor internet connectivity to carry out the transaction. 3 lack knowledge on how to use it. 1 has not linked their phone number to the bank. Majority of people who do not prefer UPI transaction possess the unemployed population due to the following reasons:

- i) They prefer cash transaction
- ii) They do not have the required knowledge
- iii) No proper internet connection
- iv) Phone number not linked to the bank.

This is the reason why consumers do not prefer UPI payment and prefer more of cash transaction.

3.13 COMMON PROBLEMS FACED WHILE USING UPI PLATFORMS

The graph shown below is an attempt to study the common problems that a UPI user faces while using this mode of payment. 5 options are given: Bank server down, exceed daily limit, insufficient bank balance, poor internet connection other technical issues.



Source: Primary data

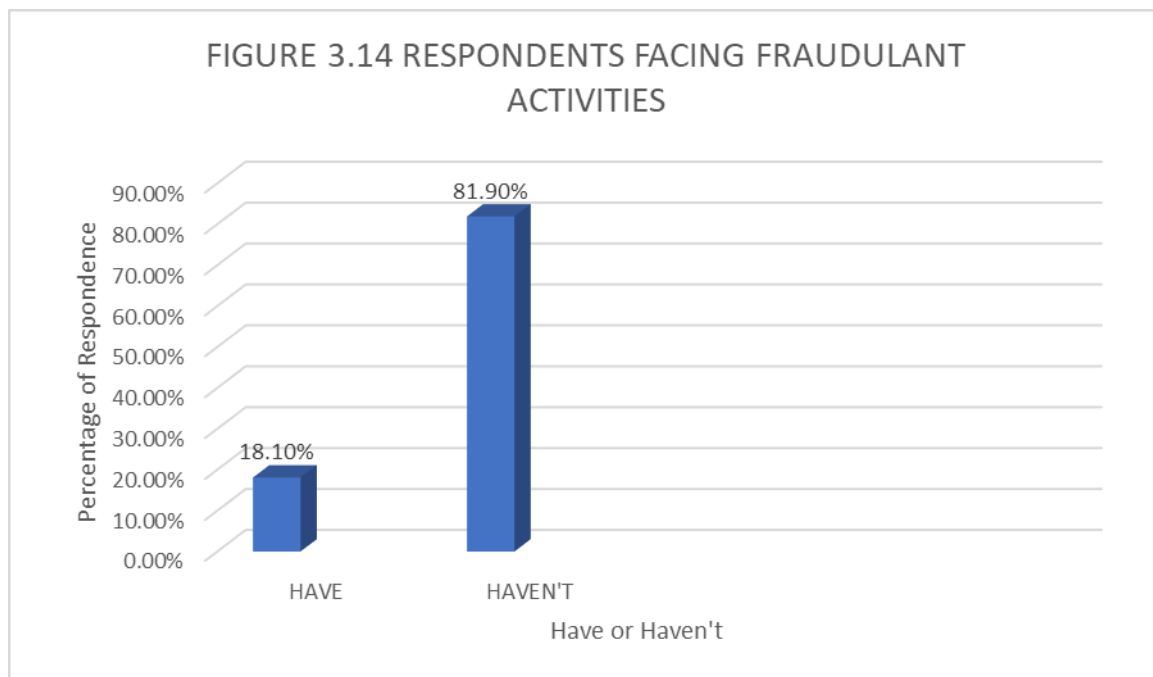
The above graph shows the analysis of common issues faced while using UPI platform. Out of the total 83 response, 4 exceeded daily limit, 10 insufficient bank balance, 20 faced internet connection issues, 33 faced other technical issues, 1 faced bank server issues. The most common problem that the response faced was technical issues like bank server down, poor internet connection. These problems were caused due to:

1. external factors like weather conditions prevailing in different areas.
2. The type of internet service available in different areas.
3. The availability of technical support nearby
4. Inadequate technological facilities

All these are the reasons for why people face issues while using UPI platform.

3.14 PERCENTAGE OF CONSUMERS WHO HAVE FACED FRAUDULANT ACTIVITIES WHILE USING UPI PLATFORM.

The below diagram is used to analyse the number of respondents who have faced fraudulent activities while using UPI platform. There are 2 categories those who have faced and haven't faced.

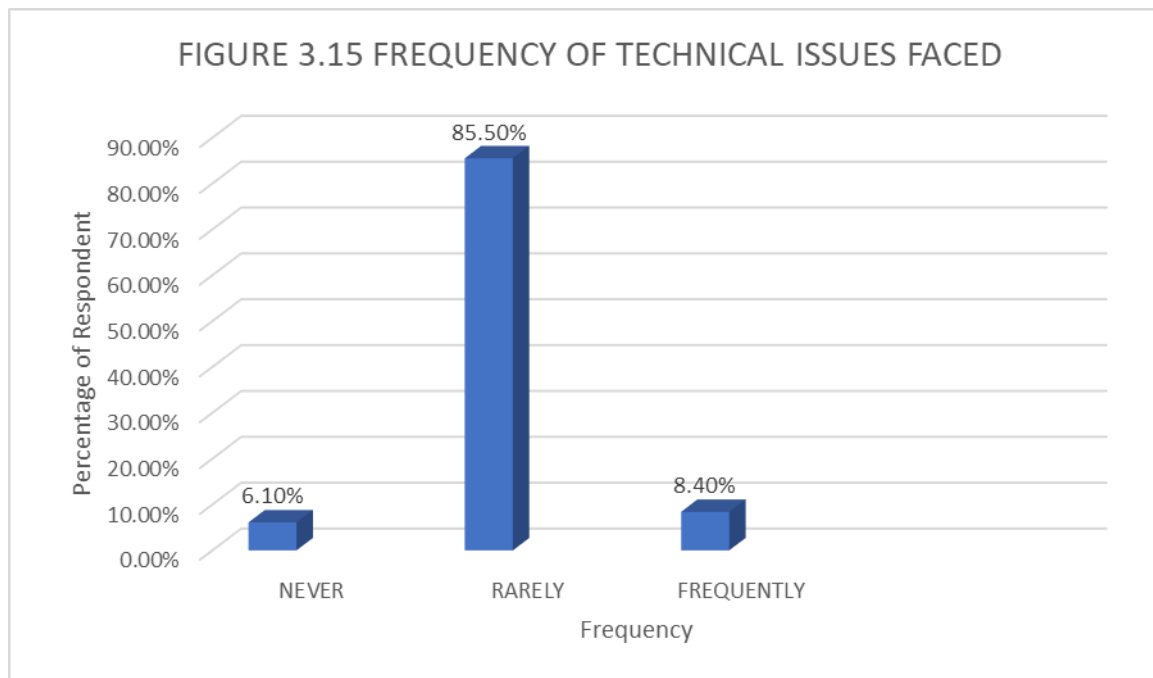


Source: Primary data

The above graph shows the analysis of the fraudulent activities that consumers face while using UPI platform. Out of the total 83 response, 15 have faced fraudulent issues while using UPI platform and 68 haven't faced any fraudulent issues while using UPI platform. Majority of response haven't faced fraudulent activities while using UPI platform as now a days these platforms ensure much more security. There are multiple levels of authentication and the app is locked using PIN numbers with which only that particular user is aware of. These security measures itself has increasingly reduced the rate of fraudulent activities happening in these platforms.

3.15 DO CONSUMERS FACE TECHNICAL ISSUES WHILE USING UPI PLATFORMS

The bar graph below shows the frequency of technical issues faced by the respondents. There were 3 options given: Never, Rare and Frequently.

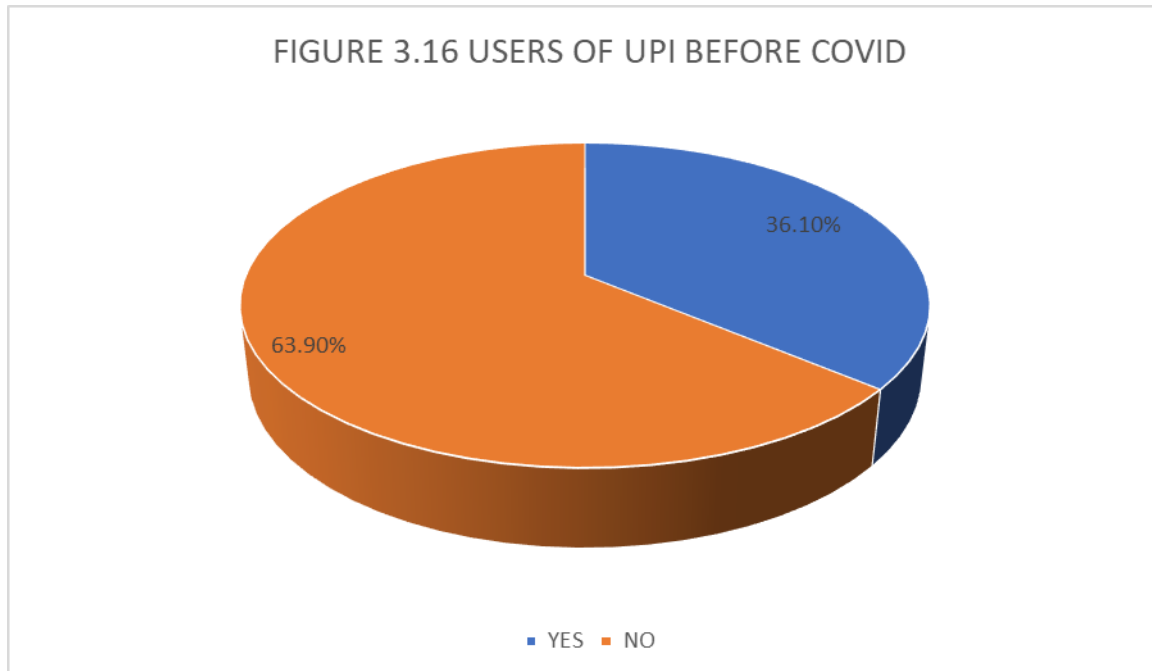


Source : Primary data

The above graph shows the analysis of technical issues faced while using UPI platform. Out of the total 83 respondents, 5 have never faced any technical issues. 71 have rarely faced issues and 7 frequently face issues. Majority of respondents said that they rarely face technical issues while using UPI platform. This is because they have appropriate access to internet connectivity and rarely do issues pop-up. There is also easy access to technical experts who can solve issues. Over 75% of the users who rarely face issues are from the urban and semi-urban areas. The technological and infrastructural facilities and the technical support system are well functioning in these areas. This is the major reason why people rarely face issues. Only a few percentage of people face issues.

3.16 WERE YOU A UPI PLATFORM USER BEFORE COVID

The below pie graph shows analyse the usage of UPI platform before covid. This analysis is done to study how fast an economic change causes a drastic change in the payment system.

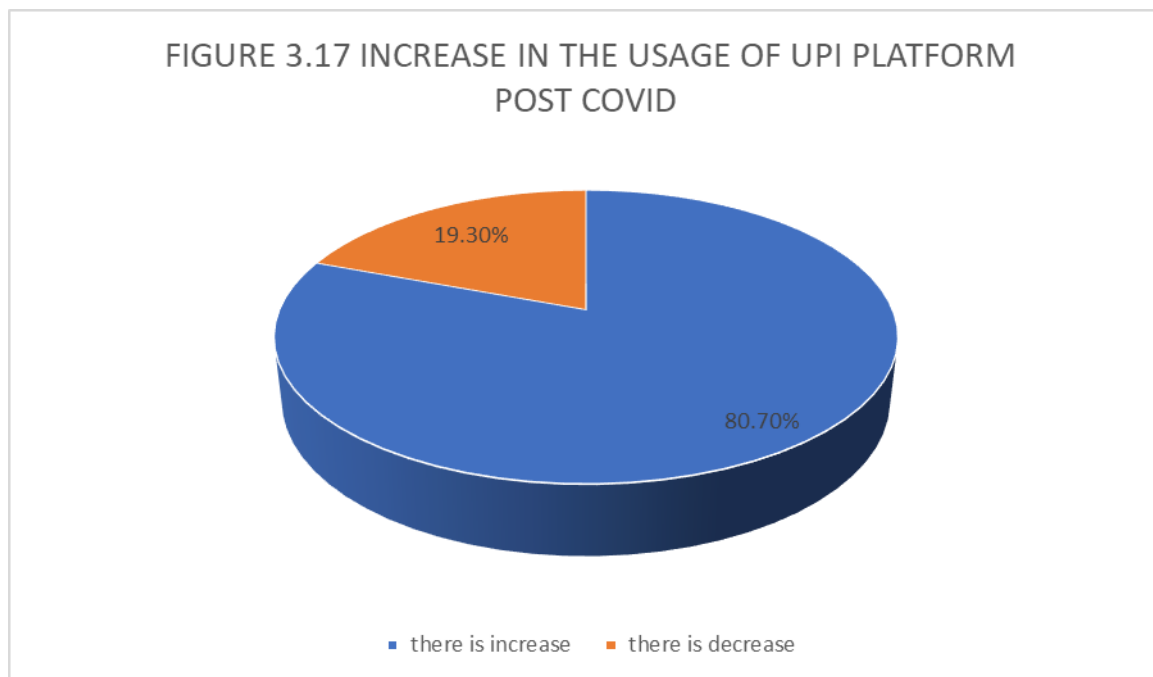


Source: Primary data

The above graph shows the analysis of the UPI users before covid. Out of the total 83 respondents, 53 were UPI users before covid and 30 became UPI users after covid. Majority of the respondents weren't a UPI user during the pre-covid period. This was because consumers weren't familiar with digital payment before covid even if they were they didn't find it necessary to adopt the new technology right away. UPI payment was just one among the options of mode of payment. But post covid has caused volatility in the whole economy. It affected various spheres of the society. The shutting down of the economy forced people to shift to digital payment.

3.17 HAVE YOU OBSERVED A POST-COVID INCREASE IN THE USAGE OF UPI PLATFORMS

The graph below shows the drastic increase in usage for UPI payment after covid. 2 options were given in order to record the opinion of the consumers. The options are: have observed an increase, haven't observed any increase.



Source: Primary data

The above graph shows the analysis of post covid increase in the usage of UPI platform. Out of the total 83 respondents, 67 supports the argument and 16 rejects the argument. The respondents were of the opinion that they have observed a major change in the payment mode during the post covid period. This is because people were forced to move to digital transaction due to lockdowns. It was hard for people to get access to liquid cash during covid. This led to the entire economy shifting to a digital world. Post covid resulted in volatility in the whole economy. It affected various spheres of the society. The shutting down of the economy forced people to shift to digital payment.

CHAPTER 4
FINDINGS ,
RECOMMENDATION AND
CONCLUSION

4.1 FINDINGS

The Indian economy is versatile. The payment system has evolved over time from very basic barter system to online exchange of money. This immediate shift of people from cash payment to digital payment was a result of many major events. These are Demonetization, lockdown due to Coronavirus, rapid digitalization. In this chapter we have presented the how well the consumers have adapted to the changes in the payment system in India.

Analysis of the information collected through the questionnaire from the sample of 83 respondents has helped us reach the following findings.

- Out of the total 83 samples collected 67.9 percent users of UPI are from the age category of 18 to 25 indicating that more youngsters are preferring UPI payment. This is because of the ease in carrying out payment, updated technical knowledge, the rewards and cashback offered in these platforms.
- The analysis of usage of UPI payment among people who are employed and unemployed shows that among respondents who are unemployed, 93% are users and rest 8% are non-users. Among the employed population, 95% are users and rest 5% are non-users. This Bar diagram shows that people who are employed as well as those who are not employed use UPI payment but there is a variation in the usage pattern among both, among employed population majority are using UPI payment because they have regular earnings since they work in private, public sectors. So, they have sufficient balance in their account to carry out payment whereas among unemployed population, their overall usage is less compared to the employed population but still they use because majority of the unemployed are from the student category who require money for their daily requirements like stationary, food, cloth, travel etc. They use their pocket money for these expenses. It is a common opinion from the students that they find UPI payment more convenient than handling liquid cash.
- The samples were collected from urban, semi-urban and rural areas in order to study the area wise usage of UPI payment. Urban area has the maximum number of UPI users compared to semi-urban and rural areas. In urban area, over 87% are users and rest 13% are non-users. This is because of the fast growing technological as well as infrastructural facilities in this area which facilitates the increased usage of UPI. In semi-urban area the rate is 85% are users and 15% are non-users. Here the number of non-users has increased. In rural area the 58% are users and 42% non-users. This is because of the poor technological and infrastructural progress. Poor internet connectivity, lack of knowledge poses as a barrier for people in rural and semi-urban areas.

- The analysis of usage of UPI shows that majority of users are from Urban employed category and majority of the non-users are from rural-unemployed and semi-urban employed. The reason being that urban area is much more technological and infrastructural advancement. They have easy access to technical support system. Another reason cited is that they are well aware and has got the required knowledge to catch up to the new technology as compared to semi urban and rural region people.
- The analysis of the convenience of consumers shows a result that out of total 83 respondents 29 finds cash payment more convenient and 54 finds UPI payment more convenient. The respondents are of the opinion that UPI payment is the most convenient option for payment. This is because it is less time consuming and most effective mode of payment. A person can send money to anyone at anywhere at any time of the day. There is no shortage of the availability of money. Whereas in case of the availability of liquid cash, a person should visit the ATM. This itself is a valid reason.
- Analysis on preferred mode of payment shows that majority of the respondents prefer cash payment as the safest mode as compared to UPI and card. Loss of money through phishing, Unauthorised gain of information from your account through hacking, opening links sent from unauthorised accounts, Fraudulent act from the side of merchants which leads to loss of money. All these are major reasons why respondents feel that cash is safer than UPI.
- Majority of the respondents prefer UPI as preferred mode of payment as compared to cash and card as it is much easier and safe compared to other modes of payment. Respondents find UPI transaction much faster and safer compared to card transaction because of security reasons, since while paying using a card one will have to reveal his/her account number in front of everyone and in case of cash, one may not always carry cash in bulk amounts all the time.
- The analysis for the consumers' preference for UPI payment while paying Utility bills shows that out of the total 83 respondents, 65 prefer UPI while paying utility bills and 18 do not prefer UPI while paying utility bills. UPI platform provides a separate option for people to pay utility bills which makes it much easier for them to pay electricity, gas, water bills. This is a much more cost-effective and efficient option. Majority of the consumers are making use of the utility bill payment facility in their UPI platform which shows that people are making use of this facility.

- Out of 83 response, 71 prefer Gpay, 7 prefer Phonepe , 4 prefer Paytm and 1 prefer apple wallet. It is clear that majority of the UPI users prefer Google pay platform. The reasons are: Most secured platform as it provides 4-digit and 6-digit pin code before one can make a payment. This prevents an anonymous user from transferring money from your account. Google pay is widely known so there are high chances of safety assurance, User-friendly interface, Easy to handle the platform, Numerous cashbacks and rewards and games which encourages users to use it more, no transaction charges levied from the account holder. These are some common reasons why the respondents prefer google pay over other payment platforms.
- Out of the total response of 83, 67 response carry out UPI transactions below 5. 1 respondent carry out 5 transactions and 15 carry out more than 5 transactions. Majority of the response who do transactions below 5 are employed people who have monthly earnings above 30000. They do transactions below 5 in order to save money, respondents in this category have more saving mentality compared to unemployed. Whereas the category of people who do transactions above 5 are mainly students because they do carryout petty shopping like food, cloth, transportation etc. These needs increase their daily transaction to above 5.
- The analysis of the maximum amount transferred using UPI in a day shows that out of the total 83 response, 29 transferred amounts below 1000. 21 have transferred amount between 1000-5000 and 33 have transferred amount above 5000. The response of the consumers was that they used UPI to pay for online shopping like for cloth and food, along with that they use UPI for miscellaneous expenses as well. All this would cause them to spend a huge amount. Over 85% of the respondents who carryout transaction above 5 are employed. They might carryout huge purchases on grocery and other miscellaneous expenses. This is one reason why there is a rise in the amount transacted.
- The analysis of the reasons why consumers do not prefer UPI payment mode showed that a total of 10 response do not prefer UPI payment. Out of the 10, 5 prefer cash transaction. 1 has poor internet connectivity to carry out the transaction. 3 lack knowledge on how to use it. 1 has not linked their phone number to the bank. Majority of people who do not prefer UPI transaction possess the are unemployed population due to the following reasons: They prefer cash transaction, they do not have the required knowledge, no proper

internet connection , phone number not linked to the bank. This is the reason why consumers do not prefer UPI payment and prefer more of cash transaction.

- The analysis of common issues faced while using UPI platform shows that out of the total 83 response, 4 exceeded daily limit, 10 insufficient bank balance, 20 faced internet connection issues, 33 faced other technical issues, 1 faced bank server issues. The most common problem that the response faced was technical issues like bank server down, poor internet connection. These problems were caused due to: external factors like weather conditions prevailing in different areas., the type of internet service available in different areas, the availability of technical support nearby, Inadequate technological facilities. All these are the reasons for why people face issues while using UPI platform.
- The analysis of the fraudulent activities show that consumers face while using UPI platform. Out of the total 83 response, 15 have faced fraudulent issues while using UPI platform and 68 haven't faced any fraudulent issues while using UPI platform. Majority of response haven't faced fraudulent activities while using UPI platform as now a days these platforms ensure much more security. There are multiple levels of authentication and the app is locked using PIN numbers with which only that particular user is aware off. These security measures itself has increasingly reduced the rate of fraudulent activities happening in these platforms.
- The analysis of technical issues faced while using UPI platform shows that out of total 83 response, 5 have never faced any technical issues. 71 have rarely faced issues and 7 frequently face issues. Majority of response said that they rarely face technical issues while using UPI platform. This is because they have appropriate access to internet connectivity and rarely do issues pop-up. There is also easy access to technical experts who can solve issues. Over 75% of the users who rarely face issues are from the urban and semi-urban areas. The technological and infrastructural facilities and the technical support system are well functioning in these areas. This is the major reason why people rarely face issues. Only a few percentage people face issues.
- The analysis of the UPI users before covid showed a result that out of the total 83 response, 53 were UPI users before covid and 30 became UPI users after covid. Majority of the response weren't a UPI user during the pre-covid period. This was because consumers weren't familiar with digital payment before covid even if they were they didn't find it necessary to adopt the new technology right away. UPI payment was just one among the options of mode of payment. But post covid has caused volatility in the

whole economy. It affected various spheres of the society. The shutting down of the economy forced people to shift to digital payment.

- The analysis of post covid increase in the usage of UPI platform shows that out of the total 83 respondents, 67 supports the argument and 16 rejects the argument. The respondents were of the opinion that they have observed a major change in the payment mode during the post covid period. This is because people were forced to move to digital transaction due to lockdowns. It was hard for people to get access to liquid cash during covid. This led to the entire economy shifting to a digital world. Post covid resulted in volatility in the whole economy. It affected various spheres of the society. The shutting down of the economy forced people to shift to digital payment.

4.2 RECOMMENDATIONS

After analysis and findings of the data collected were carried out, we came up with some recommendations for this area of study. The recommendations are purely based on the results from the study we conducted.

- There is an age wise difference in the usage of digital payment. This inequality should be reduced. People of all age groups should be familiar with the new easy technology.
- There is an area wise difference in the usage of digital payment method. This is primarily due to the lack of accessibility to proper technology in the backward areas. The technological accessibility should be increased, proper internet connection should be made accessible.
- Majority of the respondents still believe that cash payment is the safest mode of payment. The safety features of digital payment should be increased to build up the trust of consumers so that more can shift to digital payment.
- The percentage of people who have faced any type of fraudulent act while doing digital payment is quite less. But still there are few who have come across these issues. The UPI platform can should ensure 100 percent safety.
- Many consumers started using UPI post covid. Covid has made all to shift to digital payment mode. In the coming years we can expect more such economic turn downs so it should be mandatory that all should have sufficient knowledge about digital payment.
- As part of green initiative, the government should strictly shift to digital payment method as it would help in the growth of a paperless economy.

4.3 CONCLUSION

Through this study we infer that majority of the consumers surveyed are UPI users irrespective of the employment and area wise difference. It is surely obvious from the study that people are

growing and adopting new technologies much faster irrespective of the background difference. This itself is a green signal that our economy will soon shift to a much efficient and fast-growing economy.

Unified payment Interface is continuously growing and will continue to grow in the coming generations as well. People are slowly learning the importance of shifting to digital payment. The volume of UPI transaction done per month has increased.

According to RBI's Digital payment Index the extend of digital payment has rose to over 377.46 million on September 2023.

Greater convenience in using UPI for digital transactions is one of the main reasons why people prefer them over cash. People want everything at their fingertips, that's human nature. UPI ensure easy transactions like payment of mobile bills, electricity bills, house rent, etc with one tap of the finger. There is no need to worry about safety since people won't carry cash in their hand anymore. Otherwise, anyone can use your cash if they steal your wallet. Digital transactions, on the other hand, have made things so much easier. If you forget to take your wallet, you can still make payments using UPI or other digital payment methods. Improved security features of UPI are a basic advantage that ensures safety. Many digital payment systems are protected with special codes and sensors. Even if someone steals your smartphone, they would find difficult to assess your bank account from your e-wallet system.

The future of our nation's economic growth will depend on how fast people shift to digital payment platform.

APPENDIX

ENDNOTE

1. The World bank Report (June,2022) Covid19 Drives Global Surge in the use of Digital payment.
2. JEFF KEARNS and ASHLEY MATHEW, (Sep 2022) India Embraces Mobile Money
3. The Economic Times (April 2022) What is Unified payment Interface (UPI)

4. National payment corporation of India (January, 2017) UPI economic statistics
5. Business Standards (April 2022) UPI has emerged as the most preferred mode of payment in India
6. Motilal Oswal (March,2017) BENEFITS OF GOING CASHLESS IN INDIA
7. SIDDHARTH ROY, The Times of India (Aug, 2022) UPI: India's story of a financial revolution
8. Business Standard, Mumbai (Mar 2022) UPI most preferred payment mode among consumers with 56% share: Study
9. Radhika Arora, Adarsh Group of Institutions (April 2018) A Study on Customer Perception Towards UPI and its Growing Influence in The Realm of Digital Payments: An Empirical Study
10. The Economic Times (Sep 2022) Digital transaction up 33% to 7,422 crores in the fiscal 2022, says MeitY
11. KOMAL YADAV, (Nov 12, 2020) How has UPI transformed the Indian economy
12. National payment corporation of India (Jan 2022) District wise Statistics
13. Wikipedia (April 2017) Unified payment Interface
14. National payment corporation of India (Jan 2022) District wise Statistics
15. National payment corporation of India (January, 2017) UPI economic statistics
16. National payment corporation of India (January, 2017) UPI economic statistics
17. National payment corporation of India (January, 2017) UPI economic statistics
18. National payment corporation of India (January, 2017) UPI economic statistics
19. National payment corporation of India (January, 2017) UPI economic statistics
20. National payment corporation of India (January, 2017) UPI economic statistics
21. Wikipedia (April 2017) Unified payment Interface

22. Wikipedia (April 2017) Unified payment Interface

23. KOMAL YADAV, (Nov 12, 2020) How has UPI transformed the Indian economy

24. National payment corporation of India (January, 2017) UPI economic statistics

BIBLIOGRAPHY

1. Business Standard, Mumbai (Mar 2022) UPI most preferred payment mode among consumers with 56% share: Study
2. Business Standards (April 2022) UPI has emerged as the most preferred mode of payment in India
3. JEFF KEARNS and ASHLEY MATHEW (Sep 2022) India Embraces Mobile Money
4. KOMAL YADAV (Nov 12, 2020) How has UPI transformed the Indian economy
5. Motilal Oswal (March,2017) BENEFITS OF GOING CASHLESS IN INDIA
6. National payment corporation of India (Jan 2022) District wise Statistics
7. National payment corporation of India (January, 2017) UPI economic statistics
8. Radhika Arora, Adarsh Group of Institutions (April 2018) A Study on Customer Perception Towards UPI and its Growing Influence in The Realm of Digital Payments: An Empirical Study
9. Siddharth Roy, The Times of India (Aug, 2022) UPI: India's story of a financial revolution
10. The Economic Times (Sep 2022) Digital transaction up 33% to 7,422 crores in the fiscal 2022, says MeitY
11. The Economic Times (April 2022) What is Unified payment Interface (UPI')
12. The World bank Report (June,2022) Covid19 Drives Global Surge in the use of Digital payment.
13. Wikipedia (April 2017) Unified payment Interface

QUESTIONNAIRE

1. NAME _____
2. GENDER
 - a. Male
 - b. Female
 - c. Other
3. EDUCATIONAL QUALIFICATION
 - a. Undergraduate
 - b. Graduate
 - c. Postgraduate
 - d. Professional
4. WHAT IS YOUR AGE?
 - a. 18 – 25
 - b. 25- 35
 - c. 35 above
5. WHICH AREA DO YOU BELONG ?
 - a. Urban
 - b. Semi-Urban
 - c. Rural
6. ARE YOU A STUDENT OR EMPLOYED?
 - a. Student
 - b. Employed
7. IF EMPLOYED WHAT IS YOUR MONTHLY EARNINGS?
 - a. Less than 10000
 - b. 10000 - 20000
 - c. 21000 – 30000
 - d. Above 30000
8. PROFESSION_____
9. DO YOU USE UPI PAYMENT PLATFORM?
 - a. Yes

b. No

10. If NO what is the reason?

- a. Do not have smart phones
- b. No internet connection
- c. No bank account
- d. No required knowledge to use it
- e. Others_____

11. WHICH MODE OF PAYMENT DO YOU PREFER WHILE SHOPPING?

- a. UPI Payment platform
- b. Liquid cash
- c. Card payment
- d. All of the above

12. WHICH PLATFORM DO YOU PREFER?

- a. Amazon pay d. CRED g. Google Pay j. Phonepe m. TataNeu
- b. Bajaj Finserv e. Fave h. Groww k. Samsung Pay
- c. CoinTab f. Goibibo i. Jupiter Money l. Slash

13. HOW MANY UPI TRANSACTIONS DO YOU DO A DAY?

- a. BELOW 5
- b. 5
- c. ABOVE 5

14. WHICH ONE DO YOU THINK IS SAFER?

- a. UPI Platform
- b. Cash
- c. Card payment

15. DO YOU USE UPI PLATFORM FOR ONLINE SHOPPING?

- a. Yes
- b. No

16. DO YOU USE UPI PLATFORM FOR UTILITY BILL PAYMENT?

- a. Yes
- b. No

17. IN WHICH ALL SITUATIONS DO YOU NOT PREFER UPI PAYMENT?

18. HAVE YOU EVER LOST MONEY or FACE ANY FRAUDULENT WHILE USING UPI PAYMENT?

- a. Yes
- b. No

19. WHAT IS YOUR DAILY LIMIT OF AMOUNT YOU HAVE TRANSFERRED USING UPI PLATFORM?
- Below 1000
 - 1000-5000
 - Above 5000
20. DO YOU FREQUENTLY FACE TECHNICAL ISSUE WHILE USING UPI PLATFORM?
- Yes
 - No
21. WHERE YOU A UPI PLATFORM USER BEFORE COVID?
- Yes
 - No
22. HAVE YOU OBSERVED ANY POST-COVID INCREASE IN UPI PLATFORM USAGE?
- Yes
 - No
23. WHAT IS YOUR OPINION ON THE FUTURE OF PAPER CURRENCY?
- It will Perish.
 - Will still exist.
24. PROBLEMS COMMONLY FACED WHILE USING UPI PLATFORMS?
- Exceeds daily limit.
 - Poor internet connection
 - Insufficient bank balance
 - Technical issue
 - Other_____
25. DO YOU THINK CASH TRANSACTION IS MORE CONVENIENT THAN UPI?
- Yes
 - No
26. DO YOU THINK CASH TRANSACTION IS SAFER THAN UPI ?
- Yes
 - No

