

**A STUDY ON THE ADOPTION OF UPI PAYMENTS FROM AN INDIVIDUAL USER'S
PERSPECTIVE WITH REFERENCE TO TRIPUNITHURA MUNICIPALITY**

Project Report

Submitted by

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Under the guidance of

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In partial fulfillment of the requirement for the Degree of

MASTER OF COMMERCE



ST. TERESA'S COLLEGE (AUTONOMOUS), ERNAKULAM

COLLEGE WITH POTENTIAL FOR EXCELLENCE

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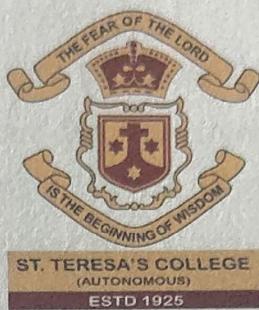
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CERTIFICATE

This is to certify that the project titled "**A STUDY ON THE ADOPTION OF UPI PAYMENTS FROM AN INDIVIDUAL USER'S PERSPECTIVE WITH REFERENCE TO TRIPUNITHURA MUNICIPALITY**" submitted to Mahatma Gandhi University in partial fulfillment of the requirement for the award of Degree of Master of Commerce is a record of the original work done by **Ms. Anagha C S**, under my supervision and guidance during the academic year 2023-25.

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DECLARATION

I, Ms. Anagha C S, final year M.Com student (Finance), Department of Commerce (SF), St. Teresa's College (Autonomous) do hereby declare that the project report entitled "A STUDY ON THE ADOPTION OF UPI PAYMENTS FROM AN INDIVIDUAL USER'S PERSPECTIVE WITH REFERENCE TO TRIPUNITHURA MUNICIPALITY" submitted to Mahatma Gandhi University is a bonafide record of the work done under the supervision and guidance of Smt. KAVYA T A, Assistant Professor of Department of Commerce (SF), St. Teresa's College (Autonomous) and this work has not previously formed the basis for the award of any academic qualification, fellowship, or other similar title of any other university or board.

PLACE: ERNAKULAM

DATE: 25.04.2025



ANAGHA C S

ACKNOWLEDGEMENT

First of all, I am grateful to God Almighty for his blessings showered upon me for the successful completion of our project.

It is my privilege to place a word of gratitude to all persons who have helped me in the successful completion of the project.

I am grateful to my guide **Smt. KAVYA T A**, Department of Commerce (SF) of St. Teresa's College (Autonomous), Ernakulam for her valuable guidance and encouragement for completing this work.

I would like to acknowledge **Dr. Alphonsa Vijaya Joseph**, Principal of St. Teresa's College (Autonomous), Ernakulam for providing necessary encouragement and infrastructure facilities needed for me.

I would like to thank **Smt. Lekshmi C**, Head of the Department, for her assistance and support throughout the course of this study for the completion of the project.

I will remain always indebted to my family and friends who helped me in the completion of this project.

Last but not the least; I would like to thank the respondents of my questionnaire who gave their precious time from work to answer my questions.

ANAGHA C S

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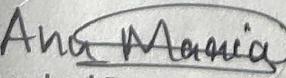


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Course of Study **Master of Commerce**
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Department **Commerce (SF)**
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Paper Title **A STUDY ON THE ADOPTION OF UPI PAYMENTS
FROM AN INDIVIDUAL USER'S PERSPECTIVE
WITH REFERENCE TO TRIPUNITHURA
MUNICIPALITY**
Similarity **10% AI-11%**
Paper ID **3442773**
Total Pages **52**
Submission Date **2025-03-28 09:40:29**


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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Further developments in the technology have changed the payment system in India. The widespread use of smartphones, internet access and digital payment systems has made it easier for individuals to complete financial transactions without relying on physical cash. The Indian government has announced various initiatives to promote digital payments to create a “digital-enhancing” economy that is “faceless, paperless, cashless” under “Digital India” campaign. Digital payments are available in a variety of formats and modes. Digital payment methods take over more Indians than part of the country’s digital transformation. The government aims to make cash easier and encourage people to develop sophisticated habits. Improved internet access, user-friendly options, and secure transactions make click payments known. As a result, the government of India has launched a product called Unified Payment Interface (UPI).

The National Payment Corporation of India (NPCI) launched the Unified Payment Interface (UPI), a new real payment system that enables instant transfers between bank accounts using mobile devices. The unified payment system introduced in 2016 requires a change in the way Indians perform transactions by enabling Peer-to-Peer (P2P) and dealer payments from a seamless peer to peer without the need for traditional banking channels such as maps and online banking registration information. The UPI consolidates several banks into a single platform, and transactions require only a virtual payment address (VPA) or mobile number.

UPIs are increasing in usage in India because of their more advanced digital capabilities, ease of use, and simplicity. Individuals, small merchants, and retailers in urban and rural areas are some of the diverse groups this attractiveness targets. More extensive use has also been encouraged on by the government initiatives for promoting cashless transactions as well as the inclusion of UPIs in mainstays such as Google Pay, Paytm, and Phone Pe. Consequently, UPI has emerged as a favorite payment option for various uses, including daily transactions and inter-peer transfers.

1.2 STATEMENT OF PROBLEM

The research on the adoption of UPI payments from the point of view of a single user, with special reference to the Tripunithura Municipality to establish the problems that individuals face while choosing to employ the Unified Payments Interface (UPI) as their major payment medium. UPI has gained significant popularity in urban areas, but its adoption differs according to the region and population, which poses questions regarding the underlying factors influencing user behavior. The present study aims to examine factors that drive individuals' willingness to adopt UPI, such as technological literacy, digital transaction trust, user experience, security issues, and socioeconomic factors. By the analysis of these elements, this research strives to identify the weakness and challenges faced by the potential users, providing useful insights that can help inform strategies to enhance the acceptance and convenience of UPI.

1.3 SCOPE OF THE STUDY

This project examines the adoption of UPI from an individual perspective, focusing on factors like ease of use, security, transaction costs and awareness. It will also study how demographics such as age, gender and occupation influence UPI usage. Data from survey will be used to uncover user behaviors and preference.

1.4 OBJECTIVES OF THE STUDY

- To study the awareness of UPI system in customers of Tripunithura Municipality.
- To understand people's preference and satisfaction levels with UPI
- To study the factors that motivate the individuals to adopt UPI as a payment method.
- To study the challenges and barriers that defer to the individual from using UPI.

1.5 RESEARCH METHODOLOGY

The way researchers describe, clarify, and forecast events is called methodology. Methods are the steps taken to gather, collect, and analyze data. They are the ways to get information that helps in understanding and explaining things.

1.5.1 RESEARCH DESIGN

Research design is arrangement of conditions for collection and analysis of data in systematic manner that aims to combine relevance to research purpose with economy in procedure. The research study applied here is thoroughly descriptive.

1.5.2 SAMPLE DESIGN AND SIZE

The sample design is clearly defining set of objectives, technically referred to as the universe to be examined. Sampling Techniques used is convenience sampling method. The target population chosen for the study was individual user's in Tripunithura Municipality. From the population 150 samples were selected for the study.

1.5.3 COLLECTION OF DATA

The primary data for this study is collected by using structured questionnaires distributed through the Google forms. This online platform allows for the efficient data collection and enables participants to complete the questionnaire at their convenience. The questionnaire consists a set of close ended questions. Secondary data is collected through internet, website, research journals and publications.

1.5.4 RESEARCH INSTRUMENTS FOR DATA COLLECTION AND ANALYSIS

In this study in order to find out the association between the various independent variables' tools like simple percentage calculation is applied. Thus, for a more comprehensive assessment, simple percentage were utilized to analyze the quantitative data. And different types of diagrams (pie chart, bar diagram) also used for interpretation of data.

1.1 LIMITATIONS OF THE STUDY

- A few of the respondents did not answer the questions accurately with interest.
- The study is focused only to the respondents of Tripunithura Municipality.
- The information provided by the people may be biased.
- Time allowed for the study is less.

1.2 CHAPTERIZATION

- CHAPTER 1: Introduction
- CHAPTER 2: Review of literature
- CHAPTER 3: Theoretical framework
- CHAPTER 4: Data analysis and interpretation
- CHAPTER 5: Findings, Recommendations and Conclusion

CHAPTER 2
REVIEW OF LITERATURE

N. Bharath (2023) - found that more and more people in Chennai are choosing UPI over other payment methods, because it is secure, convenient and easy to use. However, some groups, like the elders, have not widely adopted it. Because, they prefer cash. Even though UPI has strong security features like encryption and two-factor authentication, some users still worry about UPI's security could help to increase its use. Additionally, better internet access, more UPI-enabled devices, and more businesses accepting UPI are needed to encourage wider adoption.

Goyal Manoj Kumar, Dr. Monga Nikhil (2022) - In the research paper “An Empirical Study on Perception and Attitude of Consumers towards Unified Payment Interface (UPI), “the authors explore the factors influencing Indian consumers’ attitudes and perceptions of UPI. The study shows that urban residents have a higher level of awareness compared to rural and semi-rural populations. For rural customers, poor internet connectivity is one of the most significant issues impacting their awareness about UPI. Customers remain concerned about facts and financial security even when using UPI, even though it is a modern banking innovation in India that provides low cost and time efficient services.

Jayaram Narayan, (2021) - The study “A study on the Growth of UPI Apps in India After the COVID Outbreak” considers the impact and growth of UPI apps in India, following the COVID-19 pandemic, along with the challenges faced by these apps. The research found that UPI apps have seen remarkable growth since 2020, contributing to digitalization, the rise of fintech companies and startups, and the payment handling over two billion transactions per month. The study also highlighted that digital payment apps could increase transparency in the economy, boosting the nation’s credibility and attracting more investments. While many businesses have adopted UPI, the payment system needs to focus on improving infrastructure to handle growth and reduce technical issues.

Ghosh, Gourab (2021) - The paper titled ‘Adoption of the digital payment system by the consumer: a review of literature’. The research paper describes that the Advancement of Information and Communication Technology opened the entry for modern methods of payments. The growth in smartphone and access to the internet made life easier for the people, and which gave advent to digitalization. Digitalization not only improved trade and commerce but made the transaction of payments smooth and fast

Sunny Gupta and Dinesh Chand (2021) - A analysis of “Consumers’ Perception towards Unified Payments Interface.” They found that most people use UPI for transferring funds, mobile recharges or receiving cashbacks. However, female respondents were willing to adopt new technologies and cashbacks alone didn’t seem to encourage daily use of UPI. The study concluded that mobile phones are the most widely used devices for making and receiving payments, and overall, respondents had a favorable view of UPI transactions.

PoornaPushkal C and Pappeswari C (2021) - conducted a study titles “A study on Awareness and Customer Satisfaction of Unified payment Interface (UPI) For Digital Payments with reference to Ambasamudram Area,” The research pointed to examine the key factors influencing user’s choice of digital payment methods and to analyze the range of UPI adoption for money transfers. The findings contribute to understanding consumer preferences and the role of digital payment systems in financial transactions.

Praveen M.V, Gopika M.K, and Mahesh P.B (2021) - conducted a study titled “Clients’ Empiricism towards UPI platforms, “which explored the awareness, preferences, perceptions, and satisfaction levels of UPI users in Kerala regarding key UPI platforms. Three hypotheses were developed for the study, and One-way Analysis of Variance (ANOVA) are used to test them. The findings indicates that a client’s educational background affects their understanding of different UPI platforms and their features. The study also shows that many users are concerned about the fraud prevention features and messaging services offered by these platforms. Overall, most UPI users reported moderate satisfaction with the platforms and services. For greater digital inclusion, the study suggests that UPI platforms should enhance consumer confidence by improving fraud prevention measures and offering additional services.

Chetan Panse, Arpita Sharma, Mridula & Shailesh Rastogi (2021)17 - Since 2016, India has utilized UPI (Unified Payment Interface) for online transactions. This study looks at how UPI influences financial knowledge, access to banking services, and economic growth for the poor. The study found that UPI improves financial literacy, which helps more people access banking services. This increased access then supports economic development. It also emphasizes that financial stability enhances the relationship between financial knowledge and access to banking, while trust helps to connecting financial access to economic growth. Overall, the study shows that UPI provides multiple benefits to people.

Kumar, I.S., and Menon, S. (2020)- conducted a research paper titled “Impact of Unified Payment Interface System on Consumer Satisfaction and Role of National Payment Corporation of India in promoting Digital Transactions.”. The findings show that consumers generally have a positive view of UPI, with a clear link between satisfaction and various features of the service. The study found that gender does not significantly affect attitudes toward UPI, except in terms of convenience. A major issue identified by respondents was the lack of familiarity with smartphones, which causes difficulties in using UPI. The research also highlighted several challenges faced by consumers when using UPI services. The authors suggest that the government should work on increasing awareness among online and banking consumers about the services provided by the National Payments Corporation of India (NPCI).

Venkata Siva Kumar S. and Ch. Kavya (2020) – This paper is about the role of Unified Payment Interface in Digital Banking Services explores how different age groups and professions view the use of UPO services. It was found that UPI users have diverse opinions about the effectiveness of UPI banking services, with people from various occupations stating that UPI services are much better than traditional banking options.

R, Jibin S, (2020) - In the Ph.D. dissertation “Consumer Perception Towards Cashless Digital Payments in the Present Scenario,” the author looks at how India, being one of the fastest-growing countries, is adopting digital banking to stay remain adjusted with global trends. The study aims to understand why consumers either support or oppose digital transactions. The result indicates that many are reluctant to use digital banking due to security concerns. To address this, we need a secure environment for online transactions. With cooperation from both sides, the use of cashless digital payments is expected to increase.

Jose, Shruthi, (2020) - In her Ph. D dissertation, “Adoption of Cashless Payment Among Consumers,” the author explains that while cashless payment users are found across the country, most are in cities. The research examines why consumers accept or reject cashless payments, considering viewpoints like ease of utility, trust, social impact and inspiration. The research shows that these factors positively affect consumer’s willingness to use cashless payments. The paper suggests that by gaining a better understanding of consumer acceptance, payment companies can more easily introduce new solutions. However, convincing everyone to fully accept cashless payments remains a challenge, as many still prefer using cash.

Nor Azah Abdul Aziz, Lam Jia Wen, Harini Azman, (2020) - In the research paper “The Impact of Consumers’ Attitude towards Mobile Payment Feasibility”, the authors analyse mobile payment in Malaysia from the consumer’s perspective. The study looks at factors like perceived security, payment culture, perceived usefulness, and ease of use, which influence mobile payment adoption in Malaysia. Using a case study and a quantitative survey of young Malaysians, the research evaluates the effectiveness of mobile payment services. The findings highlight the importance of consumer awareness for service providers. The paper also emphasizes the need for a solid banking payment system to support Malaysia’s Vision 2050 strategy, as outlined by Bank Negara Malaysia (BNM).

S. Sowbarnika, V. Vasanthakumar (2019) - The article “A Study the Customer Satisfaction on UPI with Reference to Coimbatore city” explores how UPI is becoming a popular e- banking trend in India and is being seen as beneficial by consumers. The author, Sahasri Vaidya, notes that as digital technology advances, the number of UPI users will keep growing, and they will remain satisfied with the service. The research indicates that UPI users are satisfied with money transfers, while non-users are minimal interest in contactless technology. Undergraduate students, in particular, gave positive feedback, largely due to promotions and cash rebates from merchants, which boosted their satisfaction.

Chaudhari, Prof. Chaudhari Arvind & Mr. Deepak, Nov 2019 - In the paper “To Study the Consumer Satisfaction on UPI (Unified Payments Interface) with Special Reference to Hyderabad and Suburbs, “the author highlights that UPI is free of charges, allowing people to make transactions of any size. The growing number of smartphone users, telecom subscribers, and the integration of UIS (Aadhar) with UPI for KYC (Know Your Customer) are positive developments for UPI. A key finding from the survey is that most users prioritize “transparency with safety and security” over other concerns. Overall, the research shows that customers are satisfied with UPI’s application, performance, and overall process.

Dr. M. Balasubramanian, K.M Amanullah, Sept 2019 - The research paper “Mobile Banking and Its Evolution in the UPI Era” facts out that Indian’s UPI system continues to progress. Google pay and PhonePe lead the pack in this payment approach, while the government’s BHIM app sees a drop in users because other apps offer cashbacks and run better marketing campaigns. UPI proves effective for small payments, but when it comes to bigger transfers, people often turn to different online payment methods.

Qing Pan, Dec 2019 – A research titled “Consumer Adoption of Digital Payment Specific to UPI Mode” discovered that income, education and Internet access positively influence consumer adoption and satisfaction. The research shows a good relationship between transaction costs and efficiency. The study tried to understand how consumers view digital transactions. It also shows that age doesn’t have a significant impact on people’s attitudes toward using digital payments. Rather, factors such as education, income and access to the internet are more significant. Both the T-test and ANOVA backed this up showing big differences in how people saw things based on their education and monthly earnings. To sum up, the study suggests that education and income are the main factors that allow a person to change and embrace a modern lifestyle.

Salomi, J. Backia J. (2019) - The study “Impact of UPI Payment Methods Among Youth” analyses the factors motivating young people to use UPI over other payment methods and the purposes for which they use it. The research found that UPI is becoming an efficient alternative to net banking, offering faster, easier and smoother technology for millions in India. As part of the technological and economic growth, the youth people have widely adopted UPI, with about one-third of them using it mainly for its ease of access.

Virshee Tungare (2019) - studied how customers in Indore feel UPI (Unified Payment Interface) and other digital payment methods. The research found that cashless transactions became more important after demonetization. Majority of participants in the research indicated that they see UPI payments as user friendly and appreciate the rewards and advantages they provide.

K. Suma Vally, K. Hema Divya, and others (2018) - The paper “A study on Digital Payments in India with Perspective of Consumer’s Adoption” discusses how adopting digital payments can boost the country’s economy by making transactions more transparent. The research explores the ways people adopting digital payment methods like digital wallets, UPI and BHIM apps, aiming to encourage customers to switch to digital payments.

Ashish Bagla (2018) – The research paper “A study on the future of digital payments in India” looks at how Indians are adopting digital payments and the challenges they face when using them. The study aims to understand people’s attitudes towards embracing digital payments in India. It concludes that while the government’s efforts to make India cashless are progressing, the journey to a completely cashless India will take time due to several challenges that still need to be addressed.

Nupur A. Veshne et al (2017) - The dissertation “A study on UPI- The Growth and its Impact on Digital Transactions” examines the history of UPI and its role in India’s retail payment and settlement systems. The research points out that while cash transactions are still important, the demonetization drive greatly enhanced UPI usage, despite a decline in cash use. The study found that concerns about taxes and the widespread acceptances of cash may lead many to people prefer using cash over digital. However, they concluded that UPI will reach its full potential once all banks participate, benefiting both the banking sector and consumers in the long term.

Shamsher Singh (2017) – Examined how people perceive digital payments and how their use of different payment system is influenced by age, gender, occupation and income. He gathered information from 150 Delhi residents and used statistical techniques to examine it. The study found that factors like age and income do not significantly impact people’s perception of digital payments, but education plays an important role in their adoption.

Preeti Garg and Manvi Panchal (2017) - The study titled “Cashless Economy in India-A study on the Introduction of cashless economy in India 2016: Benefits and Challenges” examines public opinion on the country’s economic transition. The findings show that respondents agree that a cashless economy will help reduce black money, counterfeit currency and cash-related crimes, while also supporting efforts to combat terrorism. It is also anticipated to support economic growth and benefit the country as a whole.

Ravish Rana (2017) - studied how the adoption of digital payments is linked to customers’ education levels. The research found that people with education beyond high school and those who participate in online surveys are more likely to use digital payment methods. It also showed that areas with higher education levels, such as Delhi NCR and other major cities, are more likely to adopt digital payments compared to rural and smaller urban areas. The increase in smartphone users and better internet access in these regions has also helped more people start using payment services.

Trilok Nath Shukla (2016) - The research paper titled “Mobile Wallet: Present and the Future” emphasizes that digital payments will significantly influence the shopping experience of customers. But ensuring that it is safe and user friendly won’t be enough to attract customers. Instead, business must offer additional incentives such as cashbacks and loyalty programs to attract customers.

Arora Radhika, March 2016 - This study focused on the paper titled, ‘A Study on Consumer Perception Towards UPI and Its Growing Influence in Digital Payments’ and explored consumer perspectives on digital payment methods, focusing on the Unified Payment System (UPI). More than a quarter of respondents (35%), according to the study, voiced security worries about cashless transactions and 16% knew that merchant accepted to them. 23% of the users faced slowly transaction speeds because of inadequate internet, while another 23% confessed to not entirely grasping the technology. The survey revealed that 80% of people had become habitual users of digital payments, leaving only 20% who had yet to adopt them. The most popular payment option among the others was UPI, which was followed by online banking and e-wallets. According to the report, only 20% of e-wallet users had not yet adopted digital payments, with most favoring UPI over internet banking due to its higher security and ease of use.

Zlatko Bezhovski (2016) - In his dissertation titled “The Future of Mobile Payments as Electronic Payment System” showed that the number of people using digital payment apps is anticipated to keep growing because of their many advantages. He also emphasized that smartphones have become an essential part of everyday life, which suggests a bright future for the digital payment industry.

Karamjeet Kaur and Dr. Ashutosh Pathak (2015) - In their research paper titled “E-payment System on E-commerce in India,” found that a company’s success in the digital payment industry largely depends on factors such as ease of use, user preferences, possibility, accessibility, services and cost.

Sanghita Roy, Dr. Indrajit Sinha (2014) - In the study “A Study on the Future of Digital Payments in India” researchers examined people’s attitudes towards adopting digital payments in India and the challenges they face with digital transactions. They also explored the most commonly used digital payment methods and the future of digital payments, limited knowledge and awareness among less educated people, and concerns about scams and hacking. Other problems include internet connectivity issues, delays in cashback processing by e-commerce and e-wallet companies, and situations where payments are blocked without confirmation of the transaction status.

CHAPTER 3

THEORETICAL FRAMEWORK

DIGITAL PAYMENT

Digital payment refers to the purchase of goods and services using various electronic modes of payment rather than physical cash or cheques. People are increasingly using digital payment methods because they are easier and more convenient, and they also give customers the flexibility to make payments from anywhere at any time, which serves as a good alternative to traditional payment methods and faster transaction cycles.

Digital payments can vary in how much they depend on digital technology, so there isn't one clear definition for them. For example, a partially digital payment happens when the payment is processed digitally behind the scenes, but both the payer and the payee still use cash through third-party services. A largely digital payment is when the payer starts the payment digitally, but the payee ends up receiving cash through an agent who also uses digital methods to receive the payment.

The definition of digital payments must fit its future purpose. One way to depict it by interaction between the payer and the payee. Alternatively, the definition might highlight the payment method or another factor. These selections become particularly important when trying to measure how many digital payments are being made in specific situations, such as in a company, country or region.

TYPES OF DIGITAL PAYMENT IN INDIA

1. Banking cards

In India, debit, credit, and prepaid bank cards are frequently used instead of cash. The first credit card in the country was launched by Andhra Bank in 1981. These cards ease of use, portability and security make them preferable. Today, they are the most widely used method for both online and in person payments. Additionally, apps like Square and Cred were developed to make it easier for users to handle their cash transactions.

2. Mobile Wallets

Mobile wallets allow users to store money digitally. To enable secure online payments, users typically link these wallets to their bank. Instead of users can add money directly to the wallet and use that balance for transactions. For more facts, you can check out a digital wallet guide. Some popular mobile wallet options include Paytm, Free charge, Mobi Kwik, mRupee, Vodafone M-Pesa, airtel Money, Jio Money, SBI Buddy, Axis Bank Lime, and ICICI Pockets.

3. Internet Banking

Internet banking, also known as online or e-banking, endures customers to carry out transactions and handle their finances through their bank's website. To use internet banking, a stable internet connection is essential to make payments or access services. Today, almost all banks in India offer internet banking, making it a popular way to conduct online transactions. RTGS, IMPS and NEFT are popular ways to transfer the money through internet banking.

4. Micro ATMs

Business Communicators (BCs), such as local store owners, use micro- ATMs to offer basic financial services. These BCs essentially function as mini-banks, allowing you to perform transactions using a simple device. You can send funds straight from your bank account linked to your Aadhar with fingerprint authentication. Like a traditional ATM, Micro ATMs offer withdrawals, deposits, money transfers, and balance inquiries as services.

5. Bank Prepaid Cards

A bank prepaid card is a type of debit card that is preloaded with funds, often used for one -time purchases or for refilling and using many times. A prepaid card acts differently than a standard debit card, which is continually used and immediately connected to your bank account. Through an account that conforms with Know Your Customer (KYC) rules, customers can generate a prepaid card. These cards are commonly used as single use gift cards or as corporate gift reward cards.

6. National Electronic Fund Transfer (NEFT)

In India, a popular digital payment system that enables harmless and immediate money transfers between banks is called National Electronic Funds Transfer, or Neft. Managed by the Reserve Bank of India (RBI), NEFT allows both individuals and business to transfer funds through a

network of participating banks. The service works on a deferred net settlement basis, meaning transactions are processed in batches at set intervals during the day. NEFT has become extremely popular due to its convenience, allowing users to initiate transfers from the comfort of their homes via internet or mobile banking. With no upper limit on transfer amounts, NEFT caters to a variety of payment needs, ranging from personal transfers to business transactions, making it a crucial part of India's digital financial infrastructure.

7. Real Time Gross Settlement (RTGS)

A payment system known as Real-Time Gross Settlement, or RTGS, makes it possible for money for money to be transferred between banks immediately, assuring that each transaction is settled promptly and separately. It is mainly used for high-value transactions and provides a secure, efficient way to transfer large amounts of money, typically above a threshold set by the central bank. RTGS provides financial institutions with increased liquidity, and reduces settlement risks by providing them with time to process payments immediately upon opening, thanks to the availability of hours for transactions during certain business days.

8. Post Terminals

The point of sale (PoS) refers to the location where a transaction takes place, typically at a counter in a mall or store where payment is made. The most common type of PoS machine is used for debit and credit card payments, where customers simply swipe their card and enter their PIN to complete the transaction. With the rise of digital payments and other online alternatives, new PoS methods are emerging. One such method is contactless readers, which allow customers to make payments of ₹2000 or less without entering a PIN, as the transaction is automatically authenticated.

9. The Aadhar Enabled Payment System (AEPS)

AEPS (Aadhar bank account using their Enabled Payment System) is a digital payment service launched to leverage the widespread reach of Aadhar. It allows customers to transfer funds between two Aadhar-linked bank accounts using their Aadhar details. As of February 2020, AEPS had processed over 205 million transactions, according to NPCI data. Consumers can now use debit or credit cards, sign documents via the system and visit a bank. AEPS enables digital payments at Point of Sale (PoS) or Micro-ATMs through a business correspondent, Known as a Bank Mitra, With Aadhar-based authentication.

10. Unified Payments Interface (UPI)

Unified Payments Interface (UPI) is a platform that enables continuous and instant money transfers between multiple bank accounts, all through a single application. Unlike traditional systems like NEFT, RTGS, or IMPS, UPI offers a more consistent and efficient process for transferring funds, making it comparable to international payment systems. With just a few clicks, you can transfer money from anywhere using UPI. The key feature of UPI is that it allows payments to be made directly from your bank account, without the need to enter card or bank details. This convenience has made UPI a highly popular digital payment method, with around 2 billion transactions recorded in October 2020.

HISTORY OF UPI

Unified Payment Interface (UPI) is a real-time payment system developed by the National Payments Corporation of India (NPCI) that allows fast and easy money transfers between banks for both peer-to-peer (P2P) and person-to-merchant (P2M) transactions. Managed by the Reserve Bank of India (RBI), UPI makes it simple to transfer money between bank accounts using mobile phones. The NPCI was established in April 2009 with the goal of unifying all payment systems in India and making local payments more streamlined. By March 2011, the RBI discovered that the average Indian made only six non-cash transactions a year, while 10 million retailers accepted card payments. Additionally, over 14.5 crore families had no access to banking services, and the country faced issues with black money and corruption, often driven by cash transactions.

The Reserve Bank of India (RBI) presented a four-year strategy in 2012 to create a safe and effective payment system. As part of the Green Initiative, the aim was to reduce paper usage in the payments industry. The Unified Payment Interface, or UPI, officially became accessible by the public in 2016. Under the RBI's guidance, the National Payments Corporation of India (NPCI) was tasked with creating a payment system that is user-friendly, secure, and works across multiple banks. The four main parts of the UPI concept are a front-end PSP for the sender and the recipient, followed by secondary bank services that handle transaction settlement. The CEO of Net Magic Solutions esteemed UPI as one of India's most successful technological innovations. In December 2019, recognizing UPI's success, Google planned to create a similar real-time payment called Fed Now for the US Federal Reserve. In December 2019, recognizing UPI's success, Google planned to create a similar real-time payment called Fed Now for the US Federal Reserve.

As part of its financial inclusion initiative, the Interactive Voice Response (IVR) project aims to provide a solution for areas with limited connectivity. This system uses Dual Tone Multi-Frequency (DTMF) signaling technology combined with two-factor authentication (2FA) to ensure peer-to-peer (P2P) transactions. The service was in beta testing from September 2020 to June 2021 and is now awaiting approval from the RBI for a full rollout. By October 2021, the testing and pilot programs had been completed, and the RBI was working on setting guidelines for its broader implementation.

FEATURES OF UPI

- With UPI, payments can be made between individuals, from individuals to business, and between business using a personal mobile device. Without revealing their bank information. UPI enables users to request and receive payments from friends, sellers and other parties. The ability to connect several financial accounts to a single UPI app enhances the user experience.
- Payments can be introduced either by the sender (payer) or the recipient (payee). This feature allows you to “collect” payments from someone using your personal mobile device (pull) or “pay” them (push).
- To empower exchanges on the UPI stage, it gives a standard set of Application Programming Interface (APIs). This removes isolated systems and ensures seamless interoperability across all banks, financial institutions, and payment systems. Payment service providers can use these simple yet powerful APIs to develop custom-made payment solutions for businesses and feature packed mobile apps for customers, without needing to change the core structure of the API.
- UPI uses one click two factor authentication to ensure secure payments through a personal mobile phone, eliminating the need for additional devices or physical tokens.

TRANSACTIONS IN UPI PAYMENTS

UPI transaction offers a range of payment options that allows users to transfer money quickly and securely. These integrate peer-to-peer installments for sending cash to companions and family, vendor installments for both in store and online shopping, and utility charge installments for benefits like power and water. Users can also recharge their mobile phones, set up recurring payments, and withdraw cash from ATMs using UPI. With instant transfers available 24/7 and minimal fees, UPI has revolutionized digital payments, making them more convenient and accessible for everyone. UPI transactions can be classified into two categories:

1. Direct Payment (Push)

In a direct payment or “push” transaction, the sender initiates the transfer of funds to the recipient directly into their account. It is typically employed for peer-to-peer payments, where one user inputs the recipient’s virtual payment address (VPA) or scans a QR Code and forwards it to another user. The sender will verify the transaction on the UPI pin and the money will be transferred instantly.

2. Retrieve Request (Pull)

In a retrieve request, or “pull” transaction, the recipient requests payment from the sender. This is often used when a service provider, like a merchant or app, generates a payment request. The recipient sends this request through their UPI-enabled app, which the sender can then approve. By entering their UPI stick to authorize the exchange, the sender licenses the cash to be deducted from their account and credited to the recipient.

These two types of transactions enable smooth and efficient money transfers, contributing to the growing popularity of UPI for various payment needs.

WORKING OF UNIFIED PAYMENT INTERFACE (UPI)

Step 1: User Registration

To begin with UPI, the users will have to download UPI enabled apps like Phone Pe, Google Pay, Paytm etc. Install them and link your bank account, then create and register a clear virtual payment address (VPA) like user @bankname which is an UPI id.

Step 2: Start a transaction

If the user wishes to pay, you can manually do so by choosing the recipient's VPA (like dealer@bankname) and scanning the UPI id QR code. For instance, in case a customer wishes to pay for a local provider, he or she can simply scan the provider's QR code or type in the provider's VPA.

Step 3: Authentication

In order to authorize the Authentication, the authentication rate, the client must enter the UPI pin, a secure six-digit code that is recognized during registration. This step ensures that the account owner can support the exchange.

Step 4: Transaction Processing

The moment the UPI pin is input; the app becomes responsible for the payment request to the UPI server. The server verifies the requirements and processes them by interacting with both the user's bank (issuer) and the bank (acquirer).

Step 5: Confirmation

Once the bank verifies the transaction, the user is given an instant notification of successful or failed payment. For instance, the application can present a message that reads “Successfully paid £500 for Dealer@Bankname.

Step 6: Settlement

UPI Systems make sure that interbank funds are specified within a short time horizon, typically within a matter of hours, but users get transactions that are settled immediately in their accounts.

UPI system ensures that funds are established between banks in a short time frame of a few hours, and users will instantaneously verify the transactions accounted for in their accounts. Supported by apps like Phone, Google Pay, Paytm and others, this effective handle represents a secure customer-based review of sophisticated stock exchange choice that is beneficial to a vast array of budgets by India.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

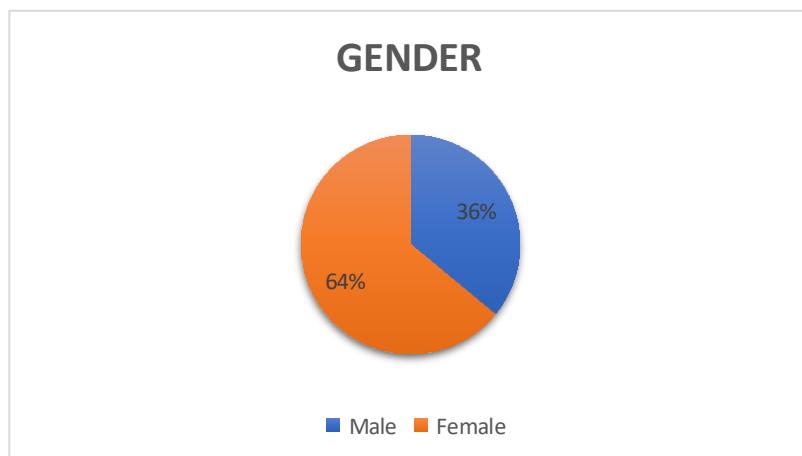
4.1 GENDER OF RESPONDENTS

TABLE 4.1 SHOWING GENDER OF RESPONDENTS

Particulars	Number of Respondents	Percentage
Male	54	36
Female	96	64
Total	150	100

(Source: Primary Data)

FIGURE 4.1 SHOWING GENDER OF RESPONDENTS



Interpretation

From the above table shows that the gender of the response 36% of male and remaining 64% of female respondent.

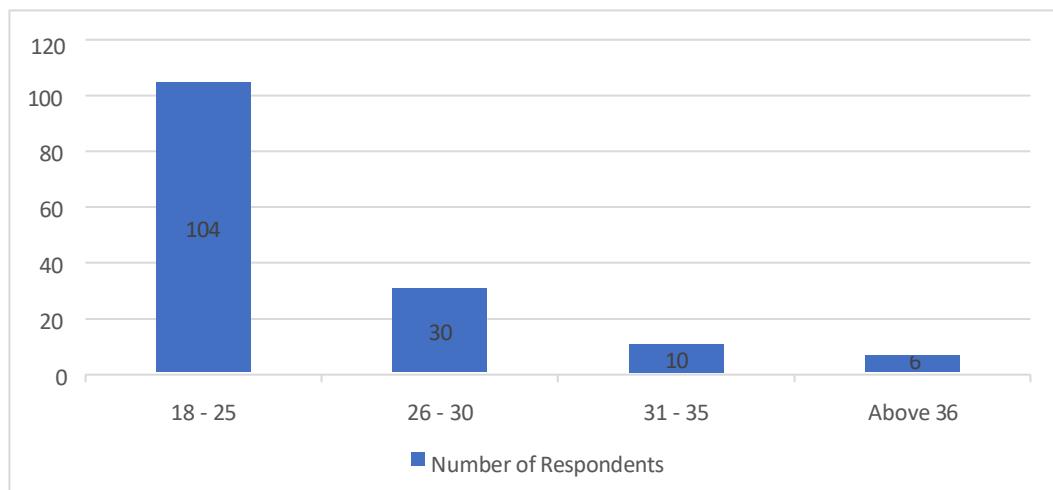
4.2 AGE OF RESPONDENTS

TABLE 4.2 SHOWING AGE OF RESPONDENTS

Particulars	Number of Respondents	Percentage
18 - 25	104	69.3
26 - 30	30	20
31 - 35	10	6.7
Above 36	6	4
Total	150	100

(Source: Primary Data)

FIGURE 4.2 SHOWING AGE OF RESPONDENTS



Interpretation

From the above table shows that the age of the response, 69.3% of 18-25, 20% of 26-30, 6.7% of 31-35 and 4% of 36 above of the respondent.

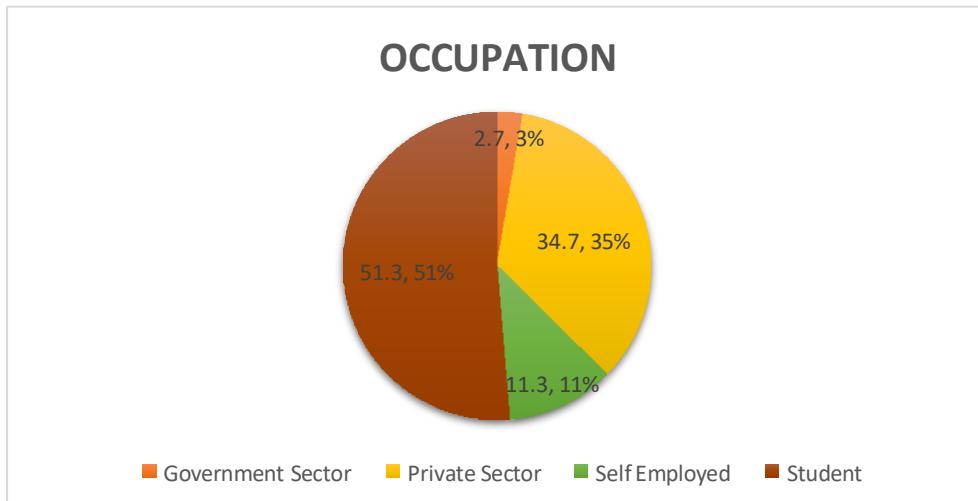
4.3 OCCUPATION OF RESPONDENTS

TABLE 4.3 SHOWING OCCUPATION OF RESPONDENTS

Particulars	Number of Respondents	Percentage
Government Sector	4	2.7
Private Sector	52	34.7
Self Employed	17	11.3
Student	77	51.3
Total	150	100

(Source: Primary Data)

FIGURE 4.3 SHOWING OCCUPATION OF RESPONDENTS



Interpretation

From the above table shows that the respondents are 51.3% of students, 34.5% of private sector, 11.3% of self-employed and only 2.3% of government sector.

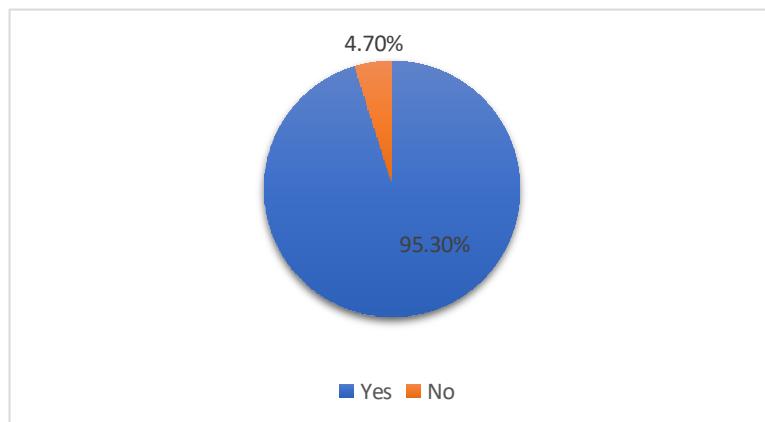
4.4 AWARENESS OF UPI PAYMENT SYSTEM

TABLE 4.4 SHOWING AWARENESS OF UPI PAYMENT SYSTEM

Particulars	Number of Respondents	Percentage
Yes	143	95.3
No	7	4.7
Total	150	100

(Source: Primary Data)

FIGURE 4.4 SHOWING AWARENESS OF UPI PAYMENT SYSTEM



Interpretation

From the above table shows that a vast majority of respondents, the 95.3% are aware of UPI payment system, only 4.7% are not aware of UPI.

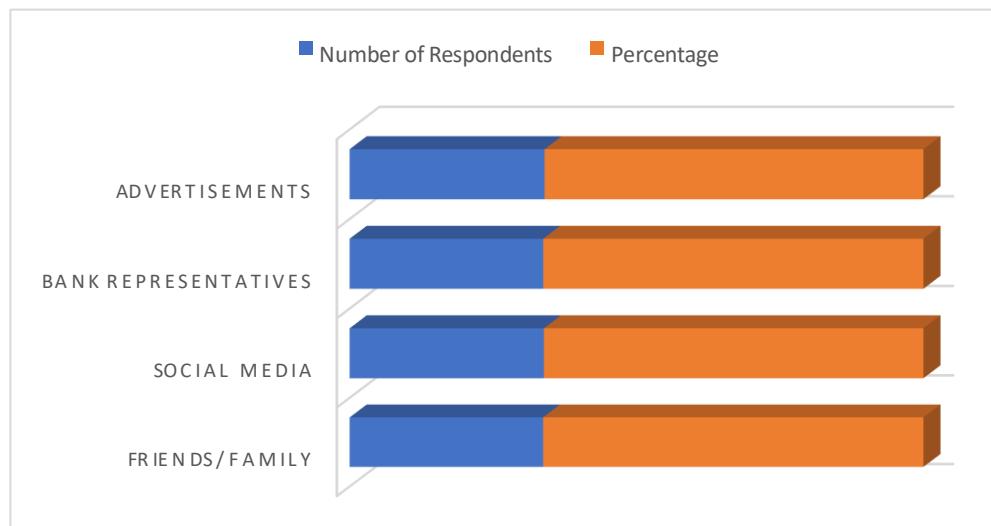
4.5 SOURCE OF LEARNING ABOUT UPI

TABLE 4.5 SHOWING SOURCE OF LEARNING ABOUT UPI

Particulars	Number of Respondents	Percentage
Friends/Family	94	62.7
Social media	32	21.3
Bank Representatives	9	6
Advertisements	14	9.3
Others	1	0.7
Total	150	100

(Source: Primary Data)

FIGURE 4.5 SHOWING SOURCE OF LEARNING ABOUT UPI



Interpretation

From the above table shows that 62.7% of respondents are learned about the UPI payment system through the Friends/family, 21.3% of respondents are learned through social media, Bank representatives contributed 6% of responses, 9.3% of respondents are through Advertisements. Only 0.7% of respondents are learned through other sources.

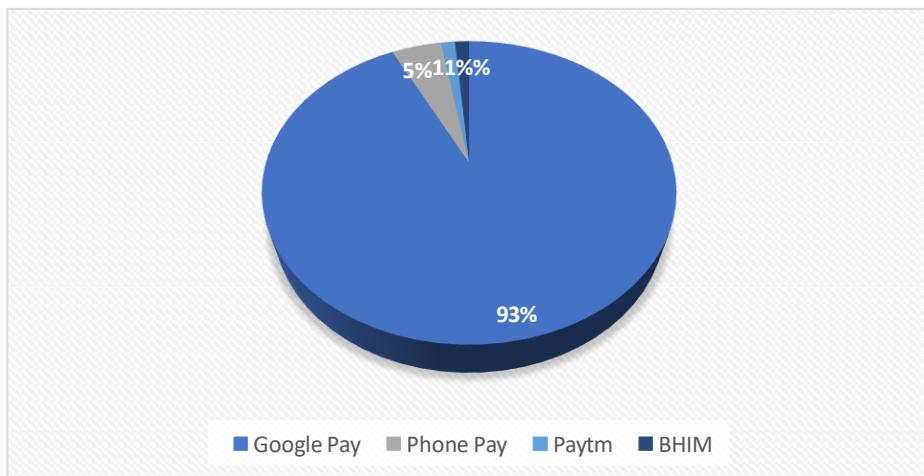
4.6 USAGE OF UPI PAYMENT APPS

TABLE 4.6 SHOWING USAGE OF UPI PAYMENT APPS

Particulars	Number of Respondents	Percentage
Google Pay	139	92.7
Phone Pay	7	4.7
Paytm	2	1.3
BHIM	2	1.3
Total	150	100

(Source: Primary Data)

FIGURE 4.6 SHOWING USAGE OF UPI PAYMENT APPS



Interpretation

From the above table shows that 92.7% of respondents are using Google Pay, 4.7% using Phone Pay, Paytm and BHIM are used only 1.3%. This indicate that most of the people used Google Pay, with other apps like phone Pay, Paytm and BHIM having a smaller usage base.

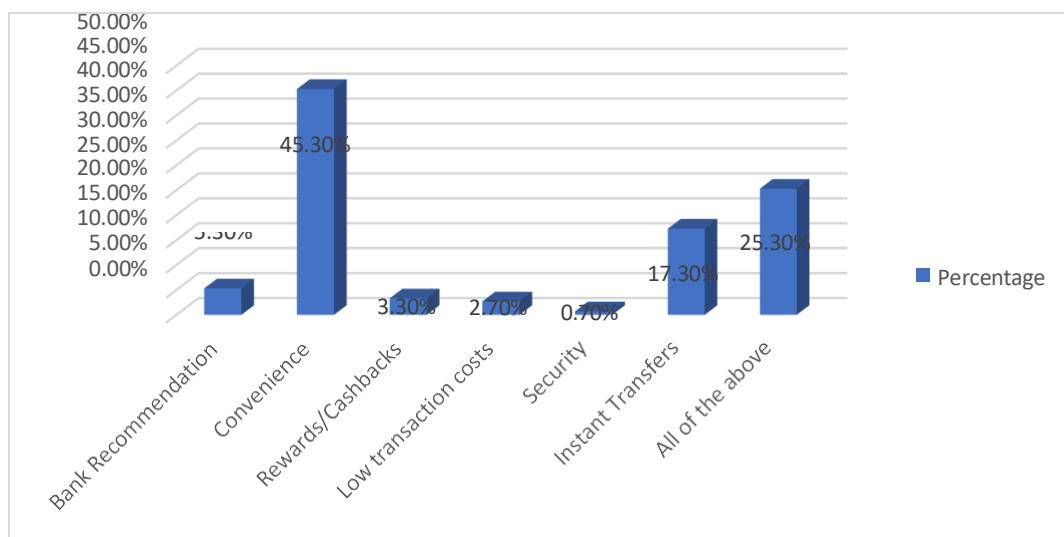
4.7 MOTIVATING FACTORS FOR USING UPI

TABLE 4.7 SHOWING MOTIVATING FACTORS FOR USING UPI

Particulars	Number of Respondents	Percentage
Bank Recommendation	8	5.3
Convenience	68	45.3
Rewards/Cashbacks	5	3.3
Low transaction costs	4	2.7
Security	1	0.7
Instant Transfers	26	17.3
All of the above	38	25.3
Total	150	100

(Source: Primary Data)

FIGURE 4.7 SHOWING MOTIVATING FACTORS FOR USING UPI



Interpretation

The above data shows that 45.3% of respondent's primary motivation for using UPI payments is Convenience, 17.3% are motivated to use Instant Transfers. 25.3 % are select the motivating factor "All of the above". Bank recommendation plays the role of 5.3%, 3.3% for rewards/cashbacks, 2.7% for low transaction costs and 0.7% for security.

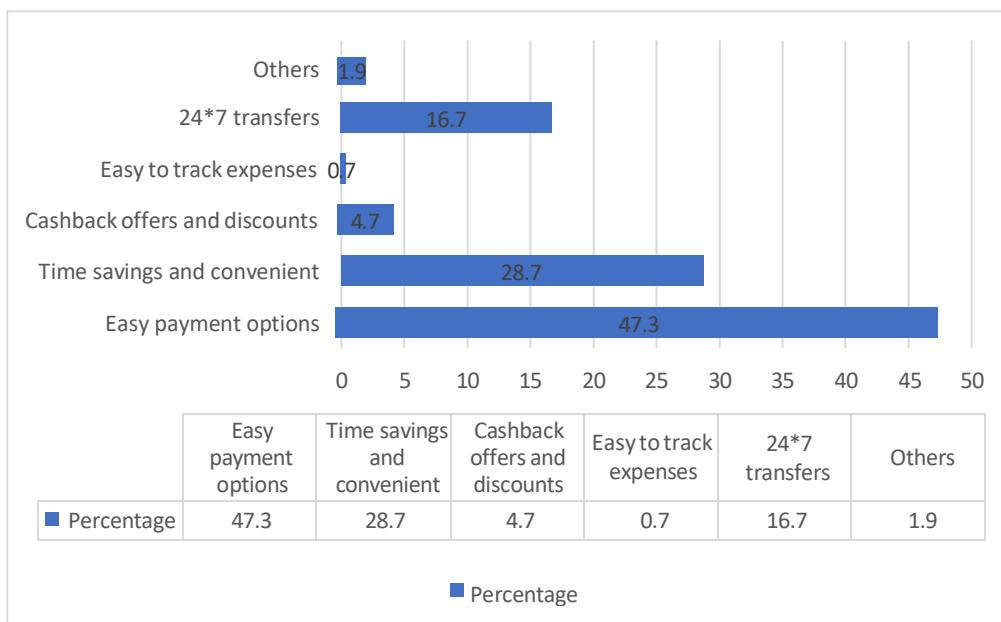
4.8 PREFERENCE FOR UPI OVER PHYSICAL PAYMENTS

TABLE 4.8 SHOWING PREFERENCE FOR UPI OVER PHYSICAL PAYMENTS

Particulars	Number of Respondents	Percentage
Easy payment options	71	47.3
Time savings and convenient	43	28.7
Cashback offers and discounts	7	4.7
Easy to track expenses	1	0.7
24*7 transfers	25	16.7
Others	3	1.9
Total	150	100

(Source: Primary Data)

FIGURE 4.8 SHOWING PREFERENCE FOR UPI OVER PHYSICAL PAYMENTS



Interpretation

The above data reveals that 47.3% of the respondents adopt UPI option over physical payments because, it is easy payment option, 28.7% of the respondents uses due to time saving and convenient option, 16.7% of the respondents uses due to 24*7 transfers option, 7% of the respondents uses due to cashback offers and discounts and only 1.9% of the respondents uses due to other reason.

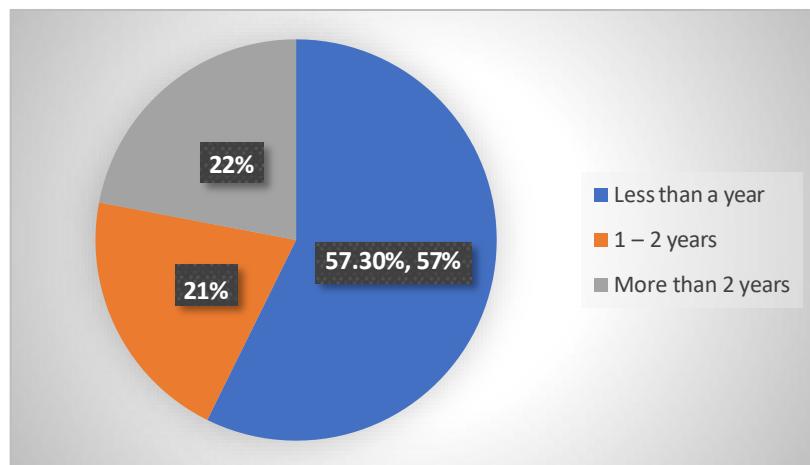
4.9 DURATION OF UPI USAGE

TABLE 4.9 SHOWING DURATION OF UPI USAGE

Particulars	Number of Respondents	Percentage
Less than a year	86	57.3
1 – 2 years	31	20.7
More than 2 years	33	22
Total	150	100

(Source: Primary Data)

FIGURE 4.9 SHOWING DURATION OF UPI USAGE



Interpretation

From the above table, it is shown that 57.3% of the respondents were using UPI for less than a year, 22% were using for more than 2 years and 20.7% of the respondents using UPI for 1-2 years.

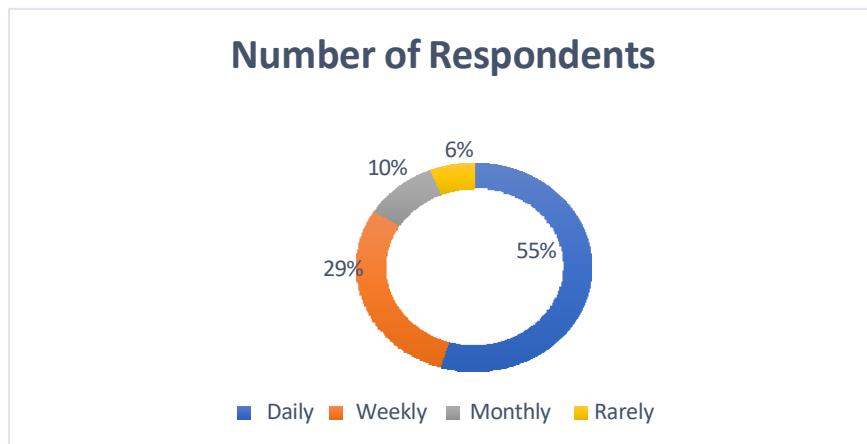
4.10 FREQUENCY OF UPI USAGE

TABLE 4.10 SHOWING FREQUENCY OF UPI USAGE

Particulars	Number of Respondents	Percentage
Daily	82	54.7
Weekly	44	29.3
Monthly	15	10
Rarely	9	6
Total	150	100

(Source: Primary Data)

FIGURE 4.10 SHOWING FREQUENCY OF UPI USAGE



Interpretation

The above data reveals that UPI services are used frequently, with 54.7% of the respondents using them daily. 29.3% of the respondents uses UPI weekly, 10% of them uses monthly and 6% of respondents use UPI services rarely.

4.11 TYPES OF TRANSACTION MADE VIA UPI

TABLE 4.11 SHOWING TYPES OF TRANSACTION MADE VIA UPI

Particulars	Number of Respondents	Percentage
Online shopping	34	22.7
Bill payments	27	18
Money transfers to friends/family	41	27.3
Grocery and retail purchases	34	22.7
All of the above	80	53.3
Total	150	100

(Source: Primary Data)

FIGURE 4.11 SHOWING TYPES OF TRANSACTION MADE VIA UPI



Interpretation

From the above data, it is clear that 53.3% of the respondents using UPI for all of the listed transactions. 27.3% of respondents use UPI for Money transfers to friends/family, 22.7% of respondents are use UPI for Online shopping and Grocery and retail purchases. Only 18% of respondents are use UPI for Bill payments.

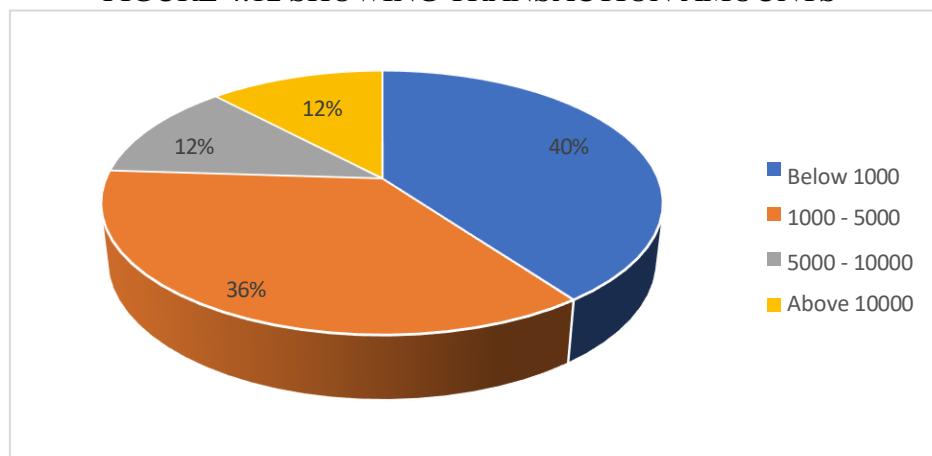
4.12 TRANSACTION AMOUNTS

TABLE 4.12 SHOWING TRANSACTION AMOUNTS

Particulars	Number of Respondents	Percentage
Below 1000	60	40
1000 - 5000	54	36
5000 - 10000	18	12
Above 10000	18	12
Total	150	100

(Source: Primary Data)

FIGURE 4.12 SHOWING TRANSACTION AMOUNTS



Interpretation

From the above data shows that majority of the respondents make the UPI transactions of below 1000, it indicates that smaller amount transaction are common. 36% of respondents make the transaction of 1000-5000, 12% of them are make transactions in the range of 5000-10000 and above 10000.

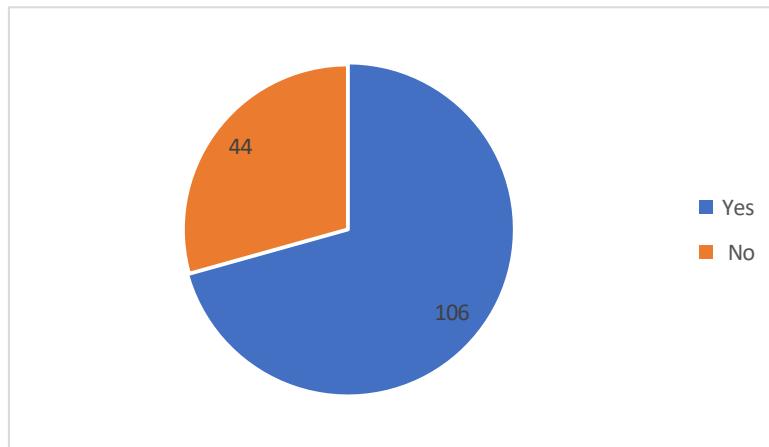
4.13 TRUST IN UPI FOR LARGE TRANSACTIONS

TABLE 4.13 SHOWING TRUST IN UPI FOR LARGE TRANSACTIONS

Particulars	Number of Respondents	Percentage
Yes	106	70.7
No	44	29.3
Total	150	100

(Source: Primary Data)

FIGURE 4.13 SHOWING TRUST IN UPI FOR LARGE TRANSACTIONS



Interpretation

The data shows that majority of respondents (70.7%) are trust the process of UPI for large transactions. 29.3% of respondents who do not trust UPI for large transaction.

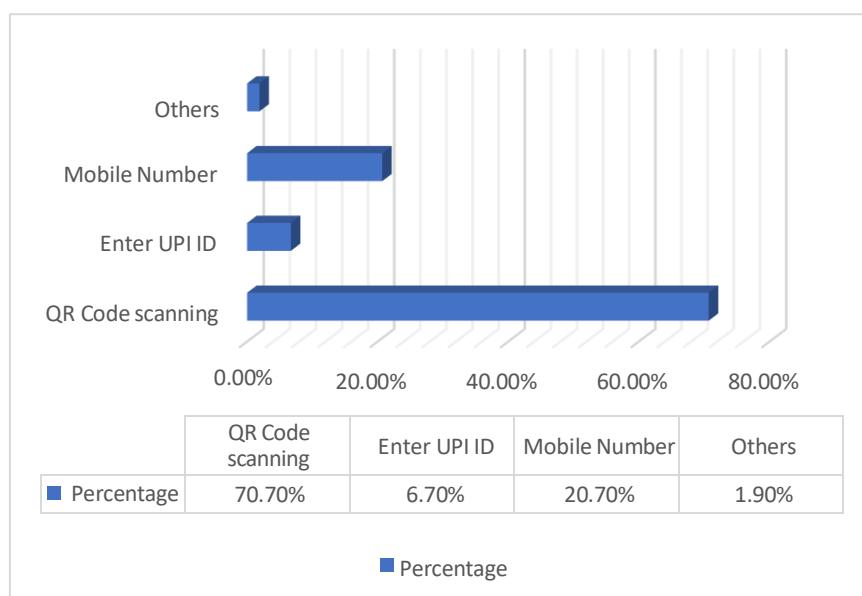
4.14 PREFERRED UPI PAYMENT METHODS

TABLE 4.14 SHOWING PREFERRED UPI PAYMENT METHODS

Particulars	Number of Respondents	Percentage
QR Code scanning	106	70.7
Enter UPI ID	10	6.7
Mobile Number	31	20.7
Others	3	1.9
Total	150	100

(Source: Primary Data)

FIGURE 4.14 SHOWING PREFERRED UPI PAYMENT METHODS



Interpretation

From the above data shows that 70.7% of the respondents preferred method for making UPI payments is QR code scanning, 20.7% of respondents prefer using mobile numbers, 6.7% are prefer entering UPI IDs and only 1.9% of the respondents prefer to use other methods.

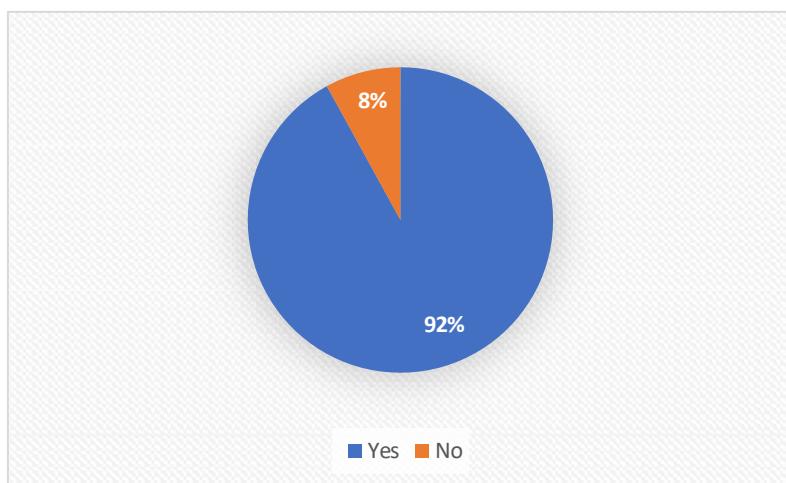
4.15 WILLINGNESS TO RECOMMEND UPI

TABLE 4.15 SHOWING WILLINGNESS TO RECOMMEND UPI

Particulars	Number of Respondents	Percentage
Yes	138	92
No	12	8
Total	150	100

(Source: Primary Data)

FIGURE 4.15 SHOWING WILLINGNESS TO RECOMMEND UPI



Interpretation

The data shows that a majority of respondents (92%) would recommend UPI payments to others. Only 8% would not recommend UPI.

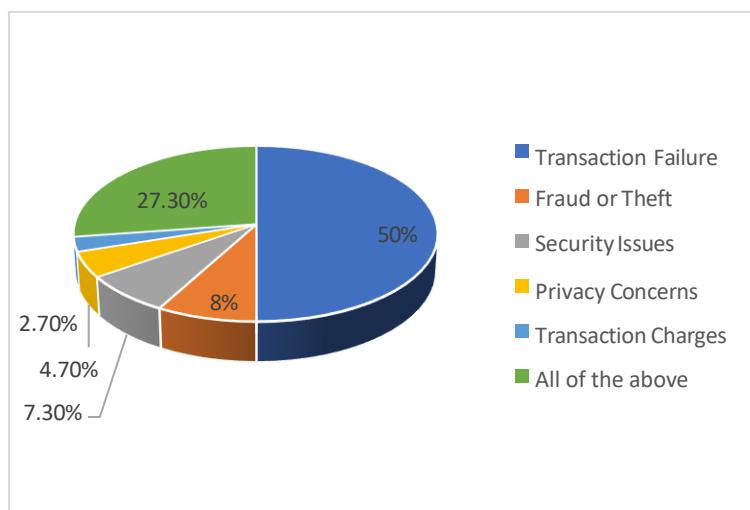
4.16 CONCERNS AMONG UPI USERS

TABLE 4.16 SHOWING CONCERNS AMONG UPI USERS

Particulars	Number of Respondents	Percentage
Transaction Failure	75	50
Fraud or Theft	12	8
Security Issues	11	7.3
Privacy Concerns	7	4.7
Transaction Charges	4	2.7
All of the above	41	27.3
Total	150	100

(Source: Primary Data)

FIGURE 4.16 SHOWING CONCERNS AMONG UPI USERS



Interpretation

The data shows that the biggest concern for 50% UPI users is transaction failure, 8% of respondents are concerned about fraud or theft, security issues concerned 7.3%, privacy concerned 4.7%, transaction charges are concern for 2.7% and 27.3% of respondents concerned about “all of the above”.

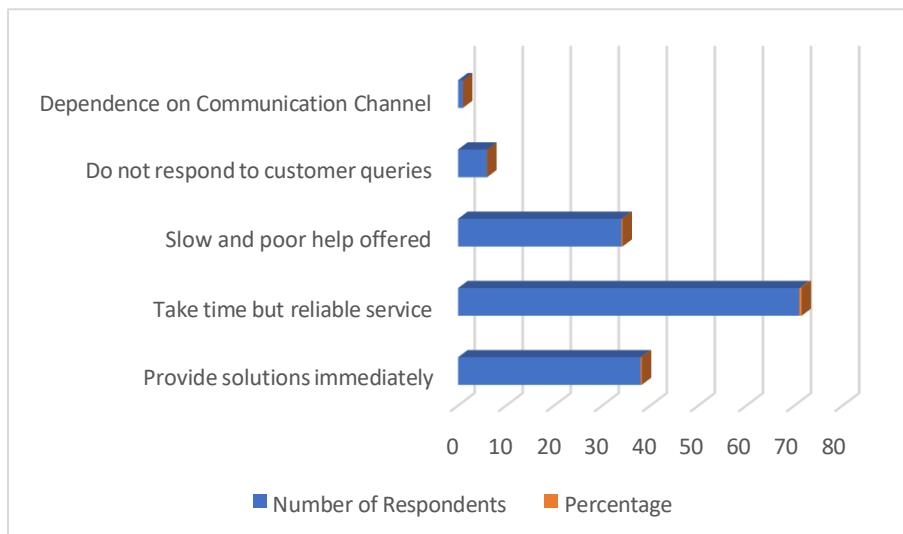
4.17 RELIABILITY OF BANKS IN HANDLING UPI QUERIES

TABLE 4.17 SHOWING RELIABILITY OF BANKS IN HANDLING UPI QUERIES

Particulars	Number of Respondents	Percentage
Provide solutions immediately	38	25.3
Take time but reliable service	71	47.3
Slow and poor help offered	34	22.7
Do not respond to customer queries	6	4
Dependence on Communication Channel	1	0.7
Total	150	100

(Source: Primary Data)

FIGURE 4.17 SHOWING RELIABILITY OF BANKS IN HANDLING UPI QUERIES



Interpretation

The data shows that 47.3% of the respondents find banks to be reliable, though they take some time to address queries. 25.3% of the respondent's report that banks provide immediate solutions to their queries, 22.7% of the respondents feel that bank responses are slow and that the help offered is poor, 4% of the respondents stated that banks do not respond to customer queries and 0.7% of the respondents are dependence on communication channels.

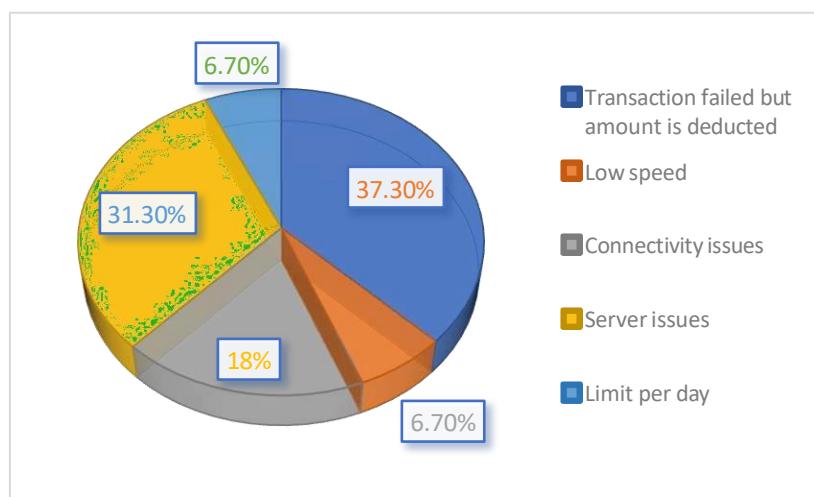
4.18 COMMON PROBLEMS FACED BY UPI USERS

TABLE 4.18 SHOWING COMMON PROBLEMS FACED BY UPI USERS

Particulars	Number of Respondents	Percentage
Transaction failed but amount is deducted	56	37.3
Low speed	10	6.7
Connectivity issues	27	18
Server issues	47	31.3
Limit per day	10	6.7
Total	150	100

(Source: Primary Data)

FIGURE 4.18 SHOWING COMMON PROBLEMS FACED BY UPI USERS



Interpretation

From the above data shows that the most common problem faced by UPI users is 37.3% of transaction failure, 31.3% of the respondent's concern for server issues, 18% of respondents affect connectivity issues, while 6.7% of the respondents' facing limitations on the amount per day.

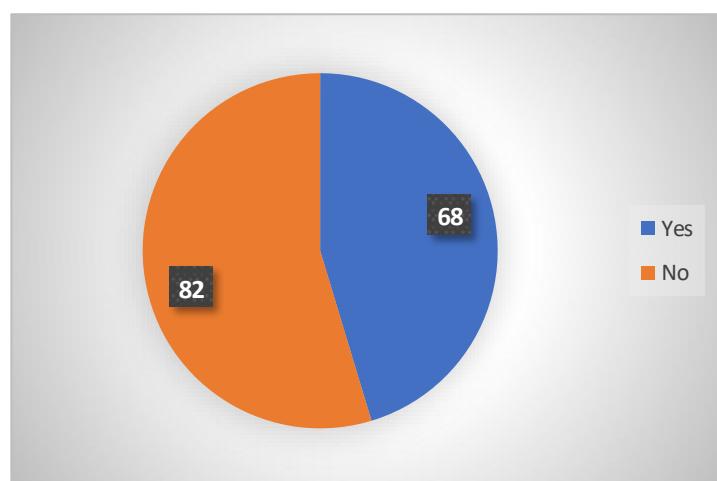
4.19 AWARENESS OF E-WALLETS PRE-DEMOMETIZATION

TABLE 4.19 AWARENESS OF E-WALLETS PRE-DEMOMETIZATION

Particulars	Number of Respondents	Percentage
Yes	68	45.3
No	82	54.7
Total	150	100

(Source: Primary Data)

FIGURE 4.19 AWARENESS OF E-WALLETS PRE-DEMOMETIZATION



Interpretation

From the above data shows that 54.7% of respondents were not aware of e-wallet before demonetization, while 45.3% were aware.

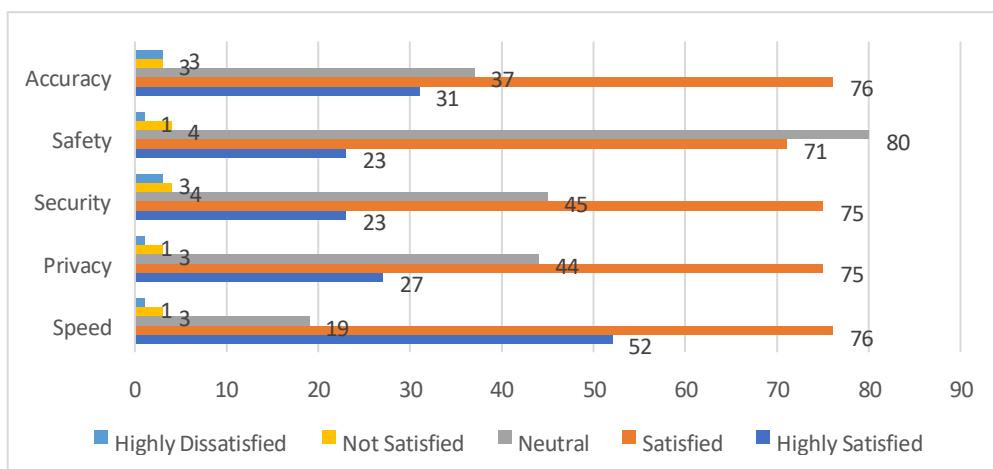
4.20 SATISFACTION WITH ONLINE PAYMENT APPLICATIONS

TABLE 4.20 SATISFACTION WITH ONLINE PAYMENT APPLICATIONS

Particulars	Highly Satisfied	Satisfied	Neutral	Not Satisfied	Highly Dissatisfied
Speed	52	76	19	3	1
Privacy	27	75	44	3	1
Security	23	75	45	4	3
Safety	23	71	80	4	1
Accuracy	31	76	37	3	3

(Source: Primary Data)

FIGURE 4.20 SATISFACTION WITH ONLINE PAYMENT APPLICATIONS



Interpretation

The data reveals generally high satisfaction with online payment applications across various factors:

Speed: A majority of respondents (52 highly satisfied, 76 satisfied) are satisfied with the speed of the applications. Only a small number are dissatisfied (3 not satisfied, 1 highly dissatisfied).

Privacy: While 27 respondents are highly satisfied and 75 are satisfied with privacy, 44 remain neutral, indicating some uncertainty. A few (3 not satisfied, 1 highly dissatisfied) shows dissatisfaction.

Safety: Safety has a mixed response, with 31 highly satisfied and 71 satisfied, but a larger number (80 respondents) are neutral. Only a few (4 not satisfied, 1 highly dissatisfied) shows dissatisfaction.

Accuracy: Accuracy is also well rated, with 31 highly satisfied and 76 satisfied, 37 responses of neutral and a few (6 not satisfied, 3 highly dissatisfied) show dissatisfaction.

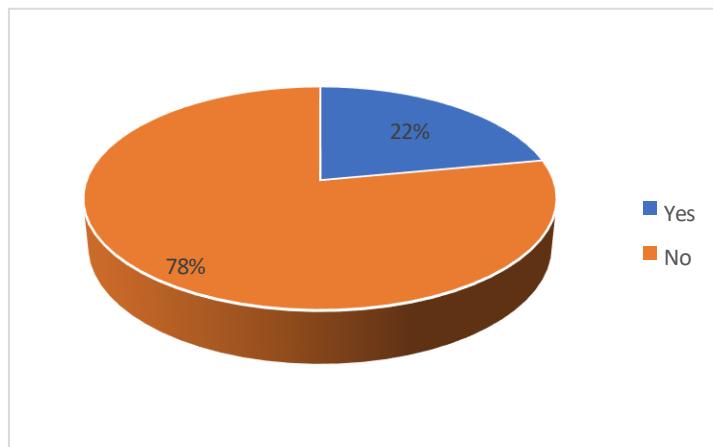
4.21 EXPERIENCE WITH FRAUD OR PHISHING ATTEMPTS

TABLE 4.21 SHOWING EXPERIENCE WITH FRAUD OR PHISHING ATTEMPTS

Particulars	Number of Respondents	Percentage
Yes	33	22
No	117	78
Total	150	100

(Source: Primary Data)

FIGURE 4.21 SHOWING EXPERIENCE WITH FRAUD OR PHISHING ATTEMPTS



Interpretation

The data shows that 22% of respondents have encountered fraud or phishing attempts while using UPI, 78% of respondents have not experienced such issues.

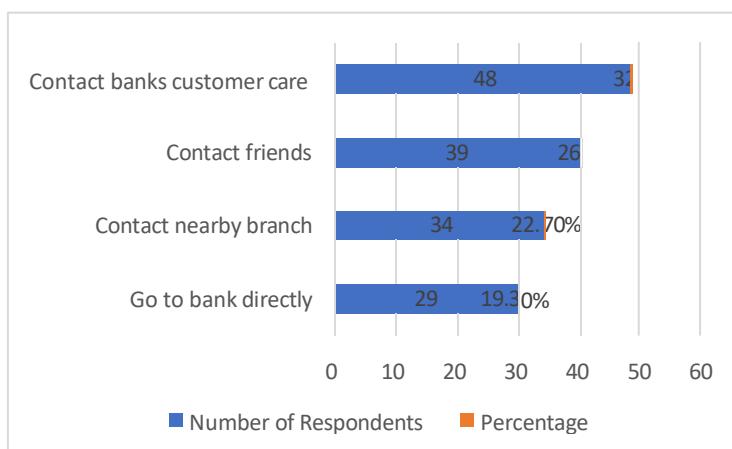
4.22 ACTION TAKEN FOR UPI ISSUES

TABLE 4.22 SHOWING ACTION TAKEN FOR UPI ISSUES

Particulars	Number of Respondents	Percentage
Go to bank directly	29	19.3
Contact nearby branch	34	22.7
Contact friends	39	26
Contact banks customer care	48	32
Total	150	100

(Source: Primary Data)

FIGURE 4.22 SHOWING ACTION TAKEN FOR UPI ISSUES



Interpretation

The data shows that 32% of respondents contact the bank's customer care for UPI not working. 26% of respondents would contact friends for help, while 22.7% respondents would visit a nearby branch and 19.3% of respondents would go directly to the bank.

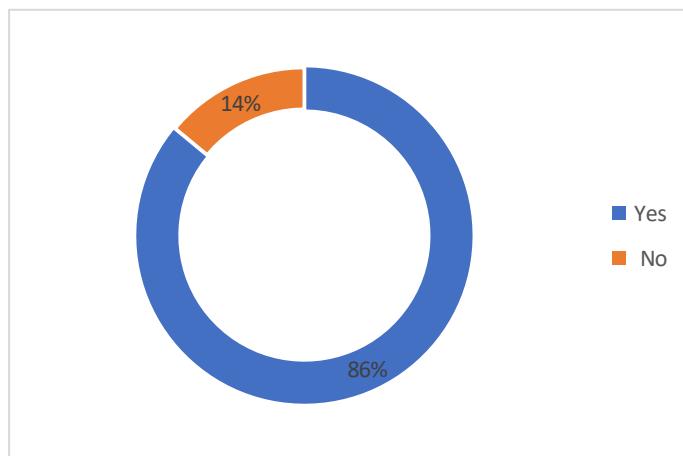
4.23 PERCEPTION OF UPI COMPARED TO TRADITIONAL PAYMENTS

TABLE 4.23 SHOWING PERCEPTION OF UPI COMPARED TO TRADITIONAL PAYMENTS

Particulars	Number of Respondents	Percentage
Yes	129	86
No	21	14
Total	150	100

(Source: Primary Data)

FIGURE 4.23 SHOWING PERCEPTION OF UPI COMPARED TO TRADITIONAL PAYMENTS



Interpretation

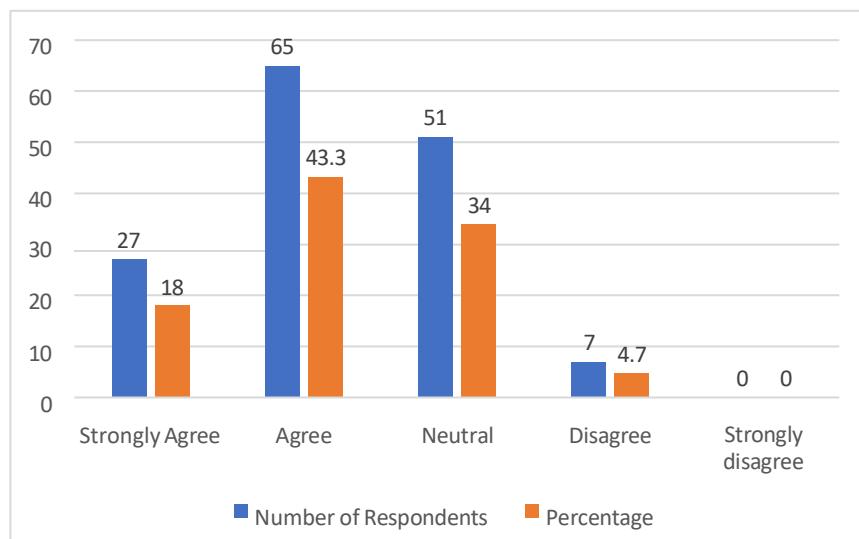
The data shows that 86% of respondents feel that UPI is a better option compared to traditional payment methods. 14% of respondents do not share this view.

4.24 TO WHAT EXTEND DO YOU AGREE DO YOU AGREE WITH THE FOLLOWING STATEMENT: “A CASHLESS ECONOMY CONTRIBUTES TO THE ECONOMIC GROWTH OF INDIA

TABLE 4.24 SHOWING “RATE THE FOLLOWING STATEMENTS FROM STRONGLY AGREE TO STRONGLY DISAGREE”.

Particulars	Number of Respondents	Percentage
Strongly Agree	27	18
Agree	65	43.3
Neutral	51	34
Disagree	7	4.7
Strongly disagree	0	0
Total	150	100

FIGURE 4.24 SHOWING “RATE THE FOLLOWING STATEMENTS FROM STRONGLY AGREE TO STRONGLY DISAGREE”.



Interpretation

Most respondents (43.3%) believe a cashless economy helps India's economic growth, with 18% strongly agreeing. However, 34% are neutral, showing some uncertainty. Only 4.7% disagree, and none strongly disagree.

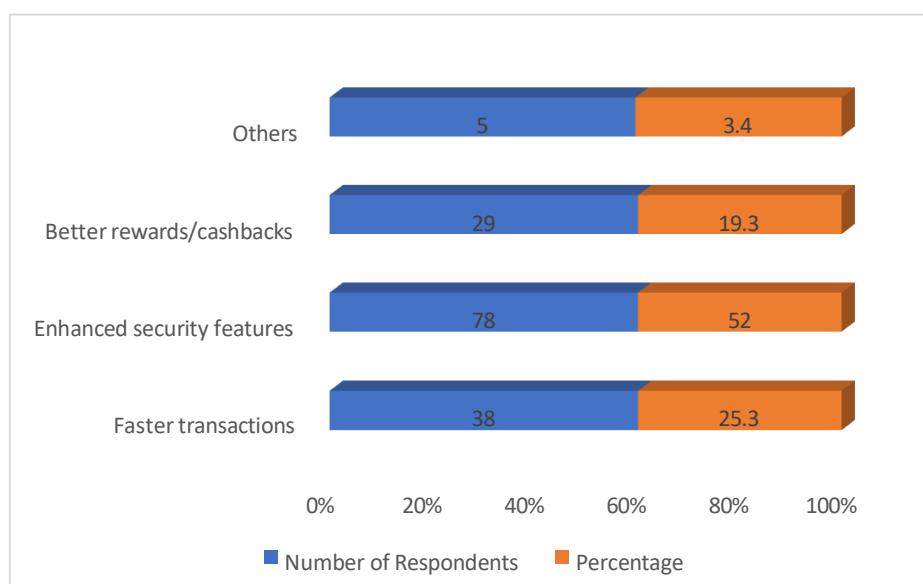
4.25 DESIRED IMPROVEMENTS IN UPI PAYMENT SYSTEMS

TABLE 4.25 SHOWING DESIRED IMPROVEMENTS IN UPI PAYMENT SYSTEMS

Particulars	Number of Respondents	Percentage
Faster transactions	38	25.3
Enhanced security features	78	52
Better rewards/cashbacks	29	19.3
Others	5	3.4
Total	150	100

(Source: Primary Data)

FIGURE 4.25 SHOWING DESIRED IMPROVEMENTS IN UPI PAYMENT SYSTEMS



Interpretation

The data shows that 52% of respondents would like to see enhanced security features in UPI payment systems, 25.3% of respondents prefer faster transactions, while 19.3% of respondents are interested in better rewards and cashbacks and 3.4% of respondents suggested other improvements.

CHAPTER 5

FINDINGS, RECOMMENDATIONS AND

CONCLUSION

FINDINGS

- Majority of the respondents are female.
- Majority of the respondents are age between 18-25 using UPI payment system.
- It displayed that most of the users are students.
- Majority of respondents are aware of the UPI payment system.
- It discovered that 94 respondents are learned about UPI from their friends/family.
- The most commonly used UPI app is Google Pay, with 139 users reported using it.
- The majority of the respondents' chosen Convenience is the primary reason for using UPI.
- Easy payment options and time saving convenience are the main reasons why respondents prefer UPI over traditional physical payment methods.
- The majority of the respondents have been using UPI for less than a year.
- The majority of the respondents are using UPI daily.
- A large portion of users utilize UPI for transferring money to friends and family.
- A majority of the users conduct their most UPI transactions are below 1000, indicating the preference for smaller payments.
- 106 respondents are trusts UPI for large transactions, while 44 respondents do not.
- The results indicate that scanning QR code is the most favored process for making UPI payments,
- It discovered that 138 respondents would suggest UPI to others, while only 12 don't recommend UPI to others.
- 75 user's main anxiety while using UPI payment is transaction failure.
- 71 respondents expressed their opinion that banks require more time but providing reliable services to their inquiries.
- The findings show that 56 respondents facing major problem while using UPI services is transaction failed but amount is deducted.
- A majority of the respondents were not aware about e-wallet before demonetization.
- Majority of the respondents are highly satisfied with speed of the UPI payment application.
- Majority respondents have not experienced fraud or phishing attempts while using UPI.
- 48 participants reach out bank's customer support for UPI issues.
- The findings show that 129 respondents feels that UPI is a better option compared to traditional payment methods.

- 65 respondents are agreed that a cashless economy contributes to the economic growth of India.
- 78 respondents those who studied would like to have enhanced security features in UPI payment framework.

RECOMMENDATIONS

- The users are concerned about the transaction failures, UPI providers should point outs on making the system more clear and valid to ensure smoother transactions.
- Some users have experienced fraud or phishing attempts by using UPI, providers should emphasize on rising awareness about online fraud prevention and promote secure transaction practices.
- Since many users prefer payment under 1000, offering cashback and incentives could encourage people to use UPI for larger transactions.
- Since large number of people believing that a cashless economy helps economic growth, UPI providers can highlight the benefits of digital payment to encourage cash users to switch to UPI.
- Since some people wants faster transactions, to speeding up processing times and minimize delays during busy hours will improve the user experience, especially for urgent transactions.
- To improve user experience, UPI app could provide more clear instructions and better support for first time users to help them use the system easily and confidently, even if they are not familiar with digital payments.

CONCLUSION

After the study was conducted in terms of individual users taking on the payment of UPIS, we found that UPIS were strongly adopted among younger users. Google Pay is the most used UPI app among respondents, indicating that market dominates the market. The most important reason why adopting UPI acceptance was more convenient is enjoying simple payment options and time-saving features over traditional payment modes, as well as the convenience of running smaller, everyday transactions.

UPI is praised for its speed and reliability, but transaction failures and general amounts are still an issue. The majority of respondents have not experienced fraud and have extensive support for UPIS as a better alternative to physical payments. Finally, extended security features are needed to improve user trust and continue to contribute to the growth of the cashless economy.

Finally, UPI achieved widespread use, with favorable opinions about its convenience and efficiency, especially among younger users. However, there are improvements to further improve the user experience and system confidence when it comes to security, customer support, and transactional reliability.

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ANNEXURE

QUESTIONNAIRE

1. Age

- 18 – 25 years
- 26 – 30 years
- 31 – 35 years
- Above 36

2. Gender

- Male
- Female

3. Occupation

- Government Sector
- Private Sector
- Self Employed
- Student

4. Are you aware of UPI payment systems?

- Yes
- No

5. How did you come to know about UPI payment?

- Friends/Family
- Social media
- Bank Representatives
- Advertisements
- Others (please specify)

6. Are you aware about e-wallet before demonetization?

- Yes
- No

7. Which UPI apps do you use most frequently?

- Google Pay
- Phone Pay
- Paytm
- BHIM
- Others (please specify)

8. How long have you been using UPI?

- Less than a year
- 1-2 years
- More than 2 years

9. How often do you use UPI services?

- Daily
- Weekly
- Monthly
- Rarely

10. What types of transactions do you usually perform using UPI?

- Online shopping
- Bill payments
- Money transfers to friends/family
- Grocery and retail purchases
- Others (please specify)

11. What is your average transaction amount through UPI?

- Below 1000
- 1000 - 5000
- 5000 - 10000
- Above 10000

12. Do you trust UPI for large transactions?

- Yes
- No

13. What is your preferred method for making UPI payments?

- QR Code scanning
- Enter UPI ID
- Mobile Number
- Other (please specify)

14. Do you recommend UPI payments to others?

- Yes
- No

15. Do you feel UPI is a better option compared to traditional payment methods?

- Yes
- No

16. What motivated you to use UPI payments?

- Bank recommendation
- Convenience
- Rewards/Cashbacks
- Low transaction costs
- Security
- Instant transfers
- All of the above

17. Why would you adopt UPI option over physical payments?

- Easy payment option
- Time saving and convenient
- Cashback offers and discounts
- Easy to track expenses
- 24*7 transfer
- Others

18. What improvements would you like to see in UPI payment systems?

- Faster transactions
- Enhanced security features
- Better rewards/cashbacks

Others (please specify)

19. How do you rate the following factors regarding online payment applications?

	Highly satisfied	Satisfied	Neutral	Not satisfied	Highly dissatisfied
Speed					
Privacy					
Security					
Safety					
Accuracy					

20. To what extend do you agree with the following statement:” A cashless economy contributes to the economic growth of India”.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

21. What is your biggest concern while using UPI payments?

- Transaction failure
- Fraud or Theft
- Security issues
- Privacy concerns
- Transaction charges
- All of the above

22. How responsive are banks to your queries?

- Provide solutions immediately
- Take time but reliable service
- Slow and poor help offered
- Do not respond to customer queries
- Others

23. What are the major problem you faced while using UPI services? Transaction failed but amount is deducted

- Low speed
- Connectivity issues
- Server issues
- Limit per day

24. Have you encountered fraud or phishing attempts while using UPI?

- Yes
- No

25. What will you do if UPI doesn't work?

- Go to bank directly
- Contact nearby branch
- Contact friends
- Contact banks customer care