



# A STUDY ON CUSTOMER INSIGHT TOWARDS UPI, WITH SPECIAL REFERENCE TO THOOTHUKUDI DISTRICT

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## ABSTRACT

Unified Payments Interface is a digital payment system that allows people to instantly transfer money from one bank account to another in India. UPI has become more and more popular due to its many benefits, including its free, fast, secure, and easy. The Reserve Bank of India (RBI) has introduced new rules regarding fees applicable to transactions made through the Unified Payments Interface (UPI) system. As per the new rules, UPI transactions above Rs. 2,000 made through a Prepaid Payment Instrument (PPI) will incur a PPI merchant fee. NPCI said the interchange fee will not be applicable on P2P or peer-to-peer transactions and P2PM or peer-to-peer-merchant transactions between a bank account and a PPI wallet. Essentially, this charge will only apply to digital wallet transactions made via merchant QR codes. This means that all payments made using UPI such as Paytm, Phonepe, Google Pay to friends, family or to a merchant's bank account will not be affected by this interchange fee. This study reveals the customer insight towards UPI payment with the help of using the chi square test among Thoothukudi city

**KEY WORDS:** UPI, Electronic Payment

## INTRODUCTION

According to the NPCI, "Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application, merging several banking features, seamless fund routing & merchant payments into one hood. UPI's overall importance comes from the intense desire and effort made by the RBI and the government to create a cost effective, simple and safe digital payment system that will be used for the large population of the country. The RBI along with the NPCI has made commendable efforts to spread digital payments culture. According to the RBI, a digital payment platform should be simple, safe and efficient while carrying out payments. Various criteria about an ideal payment system were brought out by the RBI in its vision for a future payment system dreaming a digital transaction economy. From this angle, a remarkable feature of the UPI is that it satisfies several criteria put forwarded by RBI's payment system vision of safe, efficient, interoperable, authorized, accessible, inclusive and compliant with international standards.

We all are used to payment apps like PhonePe, Google Pay, Paytm, etc these apps have become a crucial part of our lives. The transaction on these apps takes place by UPI- The Unified Payment Interface is a single-interface payment system, developed by the National Payment Corporation of India (NPCI). UPI: Unified Payment Interface is a smartphone application that allows users to transfer money between bank account. It is a platform where customers can link bank accounts held by different banks into a single UPI application and use their registered cell phone number to easily trade between them around the clock. The UPI Platform is a UPI system that operates from multiple banks accounts in a single mobile application from participating banks, combining multiple banking features such as seamless fund routing and merchant payments under one roof. The National Payments Corporation of India (NPCI) developed a single-window mobile payment system (Mobile Payments). There is no need to enter bank details and other sensitive information every time a customer initiates a transaction. UPI has introduced new features such as In-App payments, cross-screen QR codes, the addition of web-based payments, and the extension of the range of services to online payments using UnionPay-powered e-wallets.

## REVIEW OF LITERATURE

1. Dr.V. Sornaganesh and Dr. M. Chelladurai (2016) in his article revealed about the situation at the time of demonetization. The researcher made an attempt to study about the demonetization impact and financial technology company. Digital payment is the largest bet in the mobile internet space from the technology point of view <sup>[1]</sup>.

2. G. Sudha and Dr.V. Sornaganesh (2019) article is revealed that after demonetization changes in buying behaviour are clearly explained. After demonetization the main impact is reduce the paper money and increase the digital cash. Most of the customers used digital cash after the demonetization, used through the mobile applications, Internet Banking, etc., for paying their bills <sup>[2]</sup>.



3. G. Sudha and M. Thangajesu Sathish (2020) article is revealed that after demonetization retailers will adopt the digital payment methods. The researcher analysed to find out the payment methods between the pre and post period of demonetization. Most of the retailers used their payments through using various applications [3].

4. M. Thangajesu Sathish, R. Sermakani, and G. Sudha (2020) this study is revealed that the traditional system of cash transaction cannot completely be replaced by card or e-payment system. People can adopt and use their mobile wallets for the payment transaction, fund transfer, purchasing groceries and paying bills etc [4].

5. G. Sudha and V. Sornaganesh, M Thangajesu Sathish, AV. Chellama (2020), article is revealed that the Reserve Bank of India last year said it aimed to increase digital transactions to about 15% of gross domestic product by 2021, from nearly 10% at the time. The government has asked banks to encourage their customers to use digital payment methods as a precautionary measure against the Coronavirus outbreak [5]

### STATEMENT OF THE PROBLEM

It is imperative in the current period that digital payment is one important area where all the customers should be aware. The reasons are enormous like digital India and mechanization of e-documentation. Nowadays the physical payment mode becomes critical due to various reasons like time and safety. This enabled e-payment methods like internet banking and this again made simpler with android mobile phones. Keeping this concept, the research work. Framed based on the consumer behavior towards UPI (unified payments interface).

### OBJECTIVES OF THE STUDY

- 1) The study is to know the consumer awareness, consumer perception and consumer satisfaction towards UPI
- 2) To study about factors that effects the consumer perception towards UPI
- 3) To find out the level of awareness of UPI and its adoption by people of different age groups and income levels.

### HYPOTHESIS

There is no significant relationship between consumer perception towards UPI transaction

### METHODOLOGY

The present study adopts an analytical and descriptive research design. By adopting a convenience sampling method. Data was collected by using two main methods., primary data and secondary data. The tools used for analysis Chi-Square test.

### LIMITATION OF THE STUDY

1. The information given by the respondents might be biased because some of them might not be interested in providing correct information.
2. Respondents tried to escape some statements. This was one of the most important limitations faced, as it was difficult to analyse and come at a right conclusion.
3. Due to time and cost factor, only limited respondents were surveyed

### ANALYSIS AND DISCUSSIONS

**TABLE NO: 1 DEMOGRAPHIC PROFILE**

Age	Frequency	Percent
Below 20years	32	40
21 - 30years	34	42.5
31 - 40years	6	7.5
40years and above	8	10
Gender	Frequency	Percent
Male	47	58.8
Female	33	41.3
Educational Qualification	Frequency	Percent
School Level	2	2.5
Degree/Diploma	58	72.5
Post graduates	7	8.8
Professional	1	1.3
Others	12	15
Occupational status	Frequency	Percent
Home maker	7	8.8
Govt. Employee	12	15



Private Employee	36	45
Business	14	17.5
Others	11	13.8
<b>Monthly Income</b>	<b>Frequency</b>	<b>Percent</b>
Up to 15000	57	71.3
15000 - 30000	15	18.8
30000 - 45000	3	3.8
Above 45000	5	6.3
<b>Total</b>	<b>80</b>	<b>100.0</b>

(Source: Primary data)

From the table, it is clear that out of 80 respondents, 40 % of the respondents are between the age group below 20, 42.5 % are between the age group 21-30, 7.5 % are between the age 31-40 and the rest 10% above 40. Hence, the majority of the respondents are between the age group of 21-30. 58.8% are male and 41.3% are female. Hence, the majority of the respondents are Male. 72.5% of the above respondents are Degree/Diploma holders, 8.8 % of them are postgraduate level, 1.3 % are professionals, 2 % are school level and the rest 15 % are Others. Hence, the majority of the education qualifications of the respondents Degree/Diploma holders. 17.5 % of the respondents are doing business, 15 % are government employees, 8.8 % are home makers, 45 % are private employees and the rest 13.8 % are others. Hence, the majority of the occupational status wise respondent's Private employees. 71.3 % of the above respondent's monthly income is less than Rs.15000, 18.8 % respondent's monthly income is between Rs.15000-30000, 3.8 % respondent's monthly income is between Rs.30000-45000, and rest 6.3 % respondents is above Rs. 40000. So, the majority of the respondent's monthly income is less than Rs.15000.

**TABLE NO: II USING THIS UPI**

How long are you using this UPI	Frequency	Percent
Below 1 year	18	22.5
1 – 2 years	11	13.8
Above 2 years	51	63.7
<b>Total</b>	<b>80</b>	<b>100</b>

(Source: Primary data)

From the table, it is clear that out of 80 respondents, 22.5 % of the respondents started using UPI for below 1 year, 13.8% of the respondents started using UPI for 1 – 2 year and 63.7% of the respondents started using UPI for more than 2 years. Hence, the majority of the respondent's duration of using UPI More than 2 years.

**TABLE NO: III MOBILE APPLICATION**

Mobile Application do you use UPI	Frequency	Percent
Google Pay	57	71.3
Phonepe	10	12.5
Paytm	5	6.3
Others	8	10
<b>Total</b>	<b>80</b>	<b>100</b>

(Source: Primary data)

From the table, it is clear that out of 80 respondents, 12.5% of the above respondents uses phonepe, 71.3% uses google pay and rest 6.3% of the respondents use Paytm. It is clear that most of the respondents use google pay.

**TABLE NO: IV PROBLEM FACED WHILE USING UPI**

Problem faced While using UPI	Frequency	Percent
Safety and Security	12	15
Authentication	5	6.3
Network Problem	44	55
Pending for Verification	12	15
Others	7	8.8
<b>Total</b>	<b>80</b>	<b>100</b>

(Source: Primary data)

From the Table, it is clear that out of 80 respondents, 15 % of the respondent's safety and security as a problem while using UPI, 6.3 % of the respondent's authentication problem while using UPI, 55% face network problem, 15% of respondents face pending for verification problem and 8.8% as others.



**TABLE NO: V CHI - SQUARE TEST**

Particular	Chi-Square	df	Asymp. Sig.
Manual banking & online banking	30.775 <sup>a</sup>	2	.000
Secured transactions	54.100 <sup>b</sup>	3	.000
Time saving through UPI payment mode	65.700 <sup>b</sup>	3	.000
Convenience in usage	40.900 <sup>b</sup>	3	.000
Price of using digital payment mode (service charges etc.)	40.750 <sup>c</sup>	4	.000
Helps in decision making	73.625 <sup>c</sup>	4	.000
Facilitates Transfer & Payments from Any point	55.100 <sup>b</sup>	3	.000
Growth of UPI mobile payment	53.750 <sup>c</sup>	4	.000
Comparatively easy than the traditional methods	77.250 <sup>c</sup>	4	.000
Payment in delay in UPI Apps	27.300 <sup>b</sup>	3	.000
Cashless payment options give you more discounts / cashback Rewards	54.125 <sup>c</sup>	4	.000
Check transaction status	54.000 <sup>c</sup>	4	.000
Raise Dispute / Raise query	64.125 <sup>c</sup>	4	.000

(Source: Primary data)

This table reveals the relationship between Consumer perception towards UPI. Manual banking & online banking, secured transactions, Time saving through UPI payment mode, Price of using digital payment mode (service charges etc.), Helps in decision making, Facilitates Transfer & Payments from Any point, Growth of UPI mobile payment, comparatively easy than the traditional methods, Payment in delay in UPI Apps, Cashless payment options give you more discounts / cashback Rewards, Check transaction status, Raise Dispute / Raise query are less than the table value. As a result, null Hypothesis is rejected. So, Alternative Hypothesis is accepted. It concludes that there is a significant difference of Consumer perception towards UPI.

**CONCLUSION**

Making payment is all about convenience, security, and speed. India’s payment system evolved from the barter system to cash to card to digital payment mode. The security is the biggest concern among the consumers and can be considered as a key factor for the adoption of the UPI payments. India is a cash dominant society, even though there is a rapid increase in the using digital payment modes, there is still a lack of awareness among people concerning security, data privacy, etc. which is leading to them believing that making payments as card or cash is much better than using UPI application. Unified Payment Interface is considered as the biggest competitor for UPI payments. The customer is the king and they are looking for a seamless and convenient way of payments through internet and UPI is the best option for the customers for machining transactions.

In this study made an attempt to understand the perception of the customers towards unified payment services and traditional services and how far impacted the UPI services in customer satisfaction. From this study it is clear that customer has a positive attitude towards unified payment interface services and there is relationship between education of the respondents and usage of UPI services. Educated person are more inclined to use the UPI services. The growth of users of Smartphone and internet penetration in such area also facilitated the adoption of UPI services. Some of the problems faced by customers while using UPI services are also identified from this study. Government should conduct more awareness programs for online and banking customers regarding various services offered by NPIC.

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