

Cash to Clicks Impact of UPI in India Landscape

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Abstract: *The overview of the Unified Payments Interface (UPI) represents a crucial shift in India's economic landscape, fundamentally altering how financial transactions are conducted. By moving the country from a heavy dependence on cash to a vibrant digital payment system, UPI has sparked significant change. Its innovative design simplifies financial transactions, providing an easy-to-use platform for both individuals and businesses. More than just a convenience, UPI has become a key driver of financial inclusion, connecting both the banked and unbanked populations.*

Keywords: Economic landscape, financial transaction, Digital Payment

I. INTRODUCTION

The Unified payment interface (UPI) popular in India a major platform that permits the momentum of online money transference between any two parties with a smartphone. It results in immediate monetary transaction that is not only the settlement between business house and their customers, but also the hassle-free payment to individual for their day-to-day transaction activities. Furthermore, the UPI service provider can link to several bank accounts and thus make it stress-free for the consumer to complete any transaction. Thus, UPI has made a prototype shift in the payment processing scenario in India. The UPI has completed a standard shift in the payment processing scenario in India.

Objectives:

- Assess the regulatory frameworks governing UPI, examining their effectiveness in promoting innovation, competition, and consumer protection.
- Investigate the role of UPI in fostering entrepreneurship, supporting small businesses, and driving digital innovation across sectors.
- Provide insights into the challenges and opportunities presented by UPI, including issues such as fraud, cybersecurity, and interoperability with other payment systems.

II. LITERATURE REVIEW

Ghoshe, Gourabe (2021) discusses how advancements in data and statement technology have concreted the way for modern payment methods. The widespread use of smartphones and right of entry to the internet has simplified life for people and accelerated digitalization. The digital conversion has not only enhanced trade and business but also made payment transactions smoother and faster.

Cherukure, Mr. (2020) focuses on customer consumption with mobile wallets. The study observes the factors influencing customers' satisfaction when using mobile wallets. These days, many people use their smartphones for everyday transactions via mobile wallets, which have significantly impacted users. The study is based on a survey conducted among mobile wallet users to assess their satisfaction levels.

Chaitra D (2022) the paper explores the development of digital payments in India post-demonetization, highlighting challenges and advancements. Despite hurdles like demographics and literacy, India has seen notable digitalization progress, fostering modern financial products and a growing consumer base. The shift is driven by consumer demand for swift, seamless transactions, influenced by e-commerce convenience. Companies are responding with consumer-centric payment models consuming equipment like big information and cloud computing, leading to innovations like digital wallets. The paper emphasizes the need for companies to adapt to these changes to meet evolving consumer needs in an increasingly digital era.

Aathira S Nair, Dr. Kannan (2023). The paper offers an in-depth exploration of the Unified Payment Interface (UPI) and its transformative impact on digital payments. It highlights UPI's role in revolutionizing financial transactions and personal finance management, focusing on its inception, stakeholders, and technological advancements. The study underscores UPI's rapid adoption and global significance in the fin-tech landscape. It aims to uncover the driving forces behind UPI's success and its potential to further innovate digital payments. Overall, the research illuminates UPI's profound influence and its fundamental role in influencing the yet to come of digital finance, serving as a appreciated resource for sympathetic its dynamic nature and driving progress within the industry.

Satya Prakash Sahoo, Ronit Kumar, Ranjith R, Swayam Verma (2023). The paper examines India's rapid shift to digital payments, fuelled by factors like the 2016 demonetization initiative. This move spurred digital payment adoption, with government policies and Prime Minister Narendra Modi's support further driving the trend. The Unified Payment Interface (UPI) appeared as a key platform, especially during the COVID-19 pandemic, experiencing significant growth. The Countrywide Payments Corporation of India (NPCI) played a vital role by enhancing retail payment systems, aligning with India's goal of a fully digital economy. The article underscores the transformative impact of digital payments on India's economy and society, with UPI pivotal in driving digital transaction growth.

Kumar Renuka, Kishore Sreesh, Prakash Atul (2020) : Research examines the security of the Unified Payments Interface (UPI) protocol, a system powering mobile payment apps in India. The study identifies weaknesses in the multi-factor authentication design of UPI 1.0 that, when exploited with a malicious app, could lead to serious security breaches. This work led to the discovery of multiple security vulnerabilities (CVEs), and a critical attack vector was subsequently addressed in the upgraded UPI 2.0.

Pal, Bahasa, Tejaswini Heratha, and H. Raghava Rao (2019): describe how India's heavy reliance on cash and low digital implementation shifted dramatically after the government's demonetization scheme in November 2016, which invalidated banknotes and created a financial crisis. During this cash shortage, the nation, which had historically been slow to implement mobile payments, was pushed toward digital payment solutions.

Agrawal, Malik, Mishra, & Paul, (2021): Research paper titled "Moving from Cash to Cashless economy: towards Digital India", Published in Journal of Asian Finance and Economics, Page No. 43-54, They study observes the various opportunities creates in the payment interplanetary results into advancement of technology, descriptive statistics and ANOVA technique taken to analyse the result. Cash to cashless economy is the main purpose to be attained and measure the extent it is done. Recent government also support cashless system, want to reduce the corruption and there is no significant difference based on Age, Gender, Profession, Education and Income. Everyone begins to accept digital payment's in the country however proper execution possible only as soon as the education provided to the people before implementation

III. RESEARCH METHODOLOGY:

The study has been accompanied using a descriptive research design, which aimed to designate the current situation and trends related to the UPI payment system.

Statistical Tool:

Statistical tools public response and software such as Excel.

Sampling:

116 response by users.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Classification of Respondents based on Age.

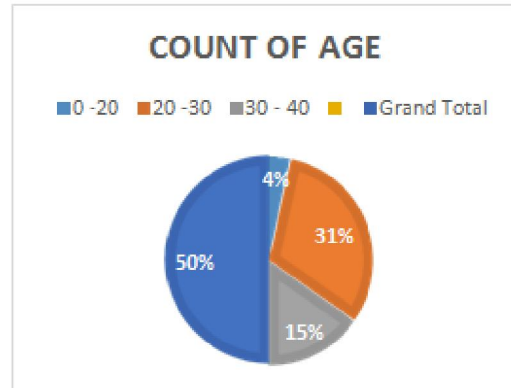


Table 2: Classification of Respondents based on Gender.

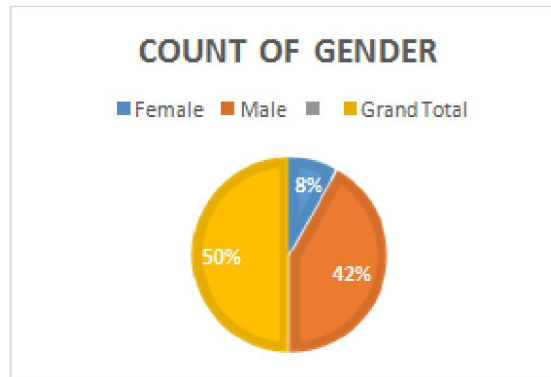


Table 3: Classification of Respondents based on how UPI payments play a major role intoday's economy.

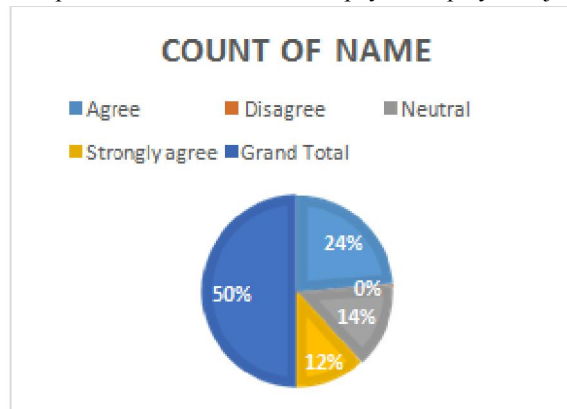


Table 4: Classification of Respondents based on their opinion regarding whether UPI(Unified Payments Interface) payments endure breaches of data privacy and security.

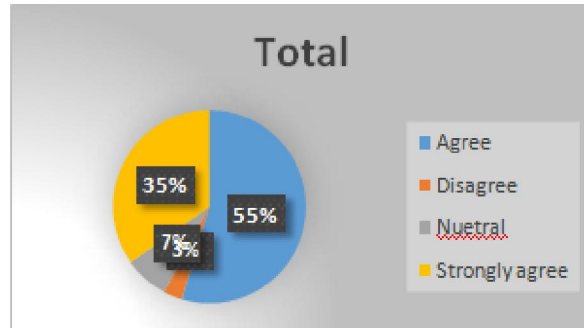


Table 5: Classification of Respondents based on the purpose of use of UPI payment

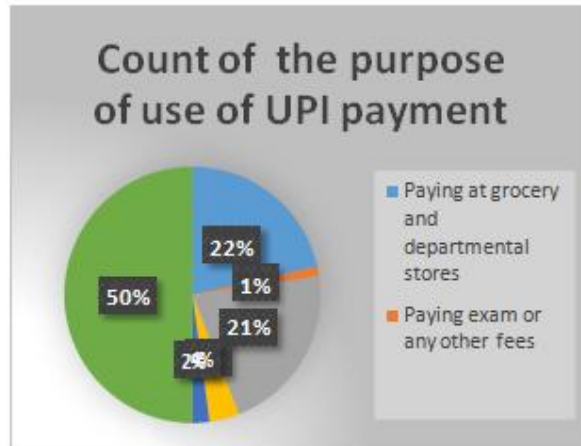


Table 6: Classification of Respondents based on their opinion regarding whether UPI payments are effective and efficient.

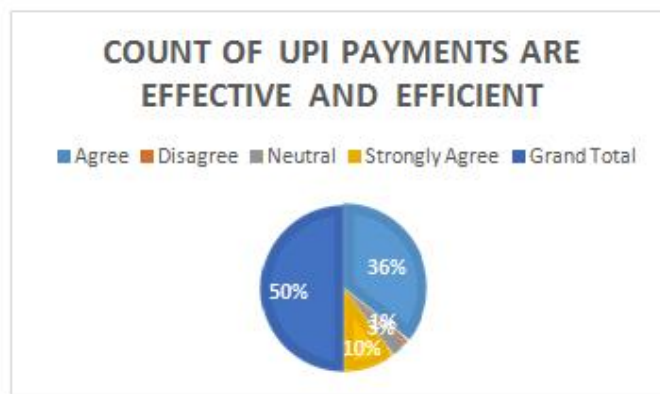


Table 7: Online payments have become the favoured optimal for many consumers for local shops and stores.

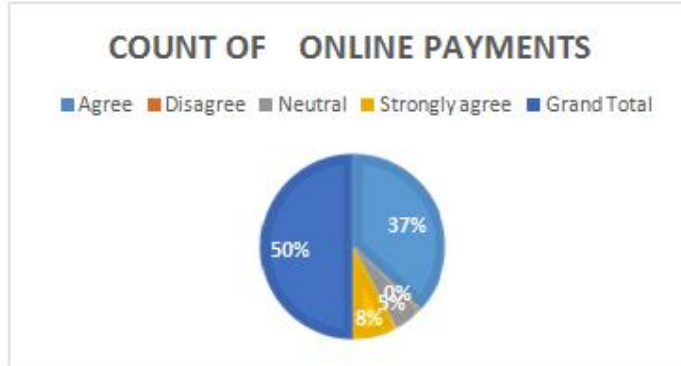


Table 8: Traditional payments methods are quiet widely used by a important portion of the population.

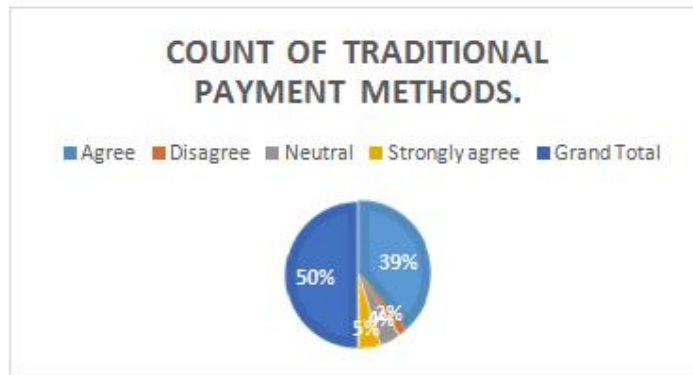


Table 9: Retailers have seamlessly integrated UPI payments into their business operations.



Table 10: The coexistence of online and traditional payments provides diverse options for consumers.

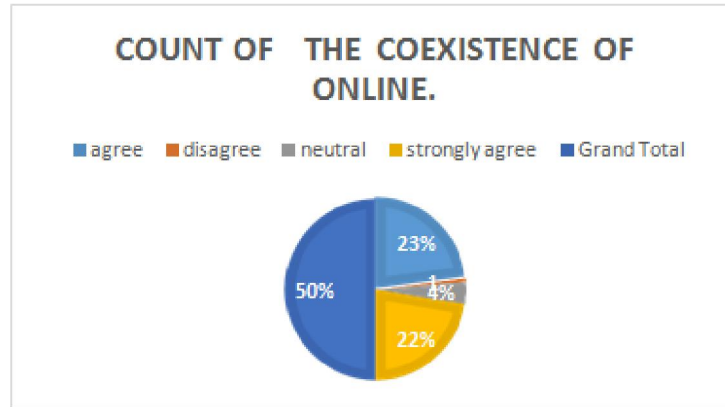


Table 11: I choose to use cash instead of UPI payments

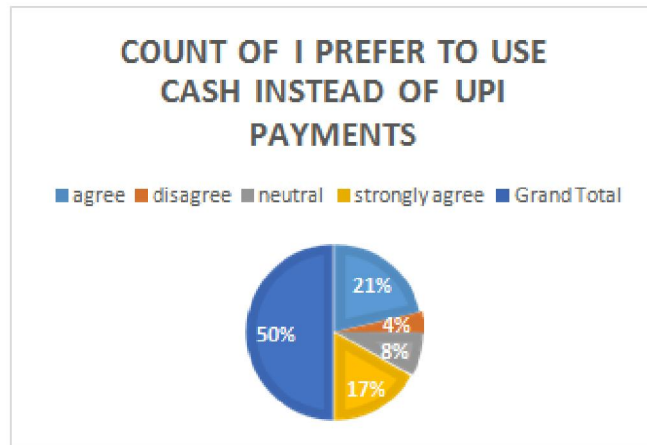
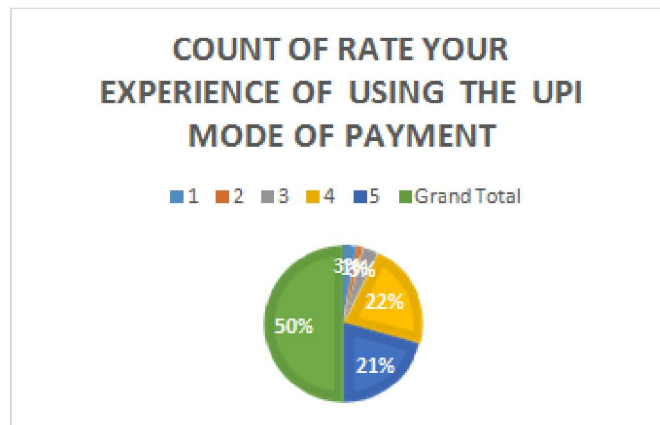


Table 12: Rate your experience of using the UPI mode of payment.



V. FINDINGS

- Opinions are divided on the preference for cash over UPI payments. While 76.4% prefer cash (42.9% agree and 33.5% strongly agree), a distinguished percentage of respondents (16.1%) are neutral, and 7.5% prefer UPI Payment.
- The majority of plaintiffs rated their experience with UPI payments positively, with 86% giving it a rating of 4 or 5 out of 5. Only a small fraction (8%) rated their experience poorly.
- A substantial majority of respondents (93.8%) believe that retailers have seamlessly integrated UPI payments into their business operations. Only a small fraction remain neutral (4%) or disagree (2%).
- A majority of respondents (71%) recognize the significant role of UPI in today's economy. This is evident from the 47.2% who agree and 23.6% who strongly agree with the statement.

VI. CONCLUSION

The rapid adoption of smartphones and the proliferation of internet connectivity have further propelled the growth of UPI. With over the 700 million internet users and nearly 1.2 billion mobile phone connections, India provides a fertile ground for digital payment solutions to thrive. UPI's integration with various banking applications and its interoperability with other digital disbursement platforms have made it a versatile and widely accepted mode of transaction.

Limitation

Internet Connectivity Dependence: UPI transactions rely heavily on internet connectivity. In regions with limited network coverage or during network outages, users may face difficulties in making transactions.

Smartphone Dependency: UPI needs a bank account associated to a smartphone. This excludes individuals who do not own smartphones or are not comfortable using them, particularly in country side areas or among the elderly population.

Transaction Limits: UPI imposes transaction limits, both daily and per transaction, which can sometimes hinder larger transactions or bulk transfers, especially for businesses.

Security Concerns: While UPI transactions are generally considered protected, there are quiet trepidations about potential security breaches, phishing attacks, and unauthorized access to bank accounts. Users need to be cautious about sharing their UPI PIN and other sensitive information.

Limited Adoption in Rural Areas: Despite efforts to promote digital payments in rural areas, UPI adoption remains lower compared to urban areas outstanding to influences such as lack of awareness, infrastructure, and accessibility to smartphones.

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