

## A STUDY ON CUSTOMER AWARENESS TOWARDS UPI (UNIFIED PAYMENT INTERFACE) APPLICATION WITH SPECIAL REFERENCE TO POLLACHI TALUK

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### Abstract

Banking has played a vital role in India's economic development and it would not be inappropriate to call it the life blood of modern commerce. Like other sectors of the economy, bank branches have seen digital transformation not only in customer service. People expected a simple, fast cash-equivalent payment process. So, this can be done through debit cards, credit cards, NEFT/RTGS or digital wallets and also through various UPI apps like Phone Pay, Google Pay, Paytm, BHIM, Mobikwik. This led to the opening of a liquidity deficit. A new era of digital currencies in India. Many market players have entered digital payments and developed applications to capitalize on the new opportunities. Keeping this concept in mind, a research work was developed based on consumer awareness about UPI (Unified Payment Interface). The data used in the study is primary in nature which has been collected through issue of structured questionnaire. A sample of 300 respondents are belonging Pollachi Taluk has been selected through convenient sampling technique and chi-square test is applied in analysing the gathered data.

**Keywords:** Unified Payment Interface - Digital Payment - Customer Utilisation etc ...

### INTRODUCTION:

UPI applications are developed by banks to provide digital banking services like fund transfer, account statement, fixed deposit, depository services. UPI- Unified Payment Interface was developed by National Payments Institute (NPCI) to promote digital transactions through mobile phones. In 2016, it is an instant real-time payment system that facilitates the transfer of funds from one bank account to another. Both parties to the transaction need to register with UPI and link their bank accounts to carry out any transaction. UPI is part of mobile banking, but it is available on various platforms and does not require a specific bank-issued app. UPI is very user-friendly, easy to use and transfers money instantly from one bank account to another. NPCI does not charge any fees from users for its services and is a very safe and secure platform, making it a preferred method of transaction for smartphone users. Digital payments in the country are witnessing tremendous growth and the country is leading the world in digital payments by clocking 40% real-time digital payments.

Electronic money is the transfer of funds electronically through a payment interface. So electronic money is a digital form of currency. The final digital cash will be one currency for all countries, so there will be no loss during transactions and no difficulty with local values. Unified Payments Interface (UPI) is a system that connects multiple bank accounts into a single mobile app (at any participating bank), combining multiple banking features, seamless fund routing & merchant payments under one hood. It also offers "Peer to Peer" collection request which can be scheduled and paid as per requirement and convenience. Many payment systems in the country now operate 24 hours a day, seven days a week, pushing customers towards digital payments because of the convenience they offer. India has Instant Payment Systems (IMPS) and Unified Payments Interface (UPI) as fast payments, and the latter drives the scale of retail payments. The company's goal is to innovate in retail payment systems using technology to achieve greater efficiency in operations and expand the range of payment methods.

## REVIEW OF LITERATURE

The studies undertaken earlier with regard to customer awareness in UPI transaction of different organizations are reviewed in the following paragraph.

**Sunny Gupta and Dinesh Chand (2021)** conducted a study titled “Consumer Attitudes towards Integrated Payment Interface”. Maximum number of people use UPI for fund transfer, mobile recharges or cashback, female respondents were adamant about using technologies and cashback alone cannot be considered as a motivating factor for consumers to use UPI on a daily basis. The study concluded that mobile phones are used more for making and accepting payments and respondents have a positive attitude towards UPI transactions.

**Gupta and Kumar (2020)** reviewed the UPI-integrated payment interface technology of digital payment, its design, technologies, functions, stakeholders involved in UPI, its benefits & challenges; Additionally mention various existing UPI apps, and alternative digital payment technique and their comparison with UPI transactions, and UPI can be a tool with compatibility options that make financial transactions straightforward and fair for customers, though it needs trust and awareness. Buyers primarily type rural background.

**Balasubramanian M and Amanullah KM. (2019)** conducted a study titled ‘Mobile banking and its evolution in the era of UPI’. They analyzed the evolution of UPI-based transactions in India, its impact on paperless transactions and issues related to UPI-based applications. They found that UPI is new and developing very fast in India. Google Pay, Pay Tm and Phone Pe are major contributors to the latest payment systems compared to the government-owned BHIM app and said that UPI is better for small funds transfer and other online transfer methods are preferred for larger amounts.

**Suma Valli and Hemativya (2018)** studied consumer adoption of digital payments in India. The results indicate that the deployment of technology for digital payments has improved the efficiency of the banking sector and is poised to achieve the goal of becoming a cashless nation. The study emphasizes the role of awareness on maximum use of technology. Banks should take effective steps in creating awareness about effective use of technology and security.

**Somanjoli Mohapatra (2017)** in their study found that a single interface across all NPCI systems creates interoperability and better customer experience. UPI seeks to make money transfers easy, quick and hassle-free. Proliferation of smart phones, availability of online verifiable identity, universal access to banking and introduction of biometric sensors in phones will advance electronic payment systems to create a cashless society in India.

## STATEMENT OF THE PROBLEM

Unified Payments Interface (UPI) is a revolutionary digital payment system that has been widely adopted in India. However, there is a significant gap in awareness, understanding and usage of UPI payments among customers. This problem statement aims to address the issue of insufficient awareness and knowledge about UPI payments among customers.

## OBJECTIVES OF THE STUDY

The following are the objectives of the study

- To identify the customer awareness of Unified Payment Interface applications
- To analyse the variables contributing to customer awareness in UPI transactions

## RESEARCH METHODOLOGY

The study is mainly based on primary data and the data required for the study have been collected through issue of structured questionnaire. The questionnaire contains questions relating to the personal details and factors influencing the customer’s

awareness towards UPI applications. A sample of 300 customers in pollachi taluk has been selected by adopting convenient sampling technique. The statistical tools like chi-square test is used to analyse the collected data.

## FINDINGS OF THE STUDY

### (i) Age and Level of Awareness of UPI customers

This section deals with the computation of level of significant association between the age and level of awareness of UPI users, the following hypothesis has been framed and tested. The analysis has been done by employing Chi-square test.

$H_0$ : Age does not influence the level of awareness of UPI users

**TABLE - 1 AGE AND LEVEL OF AWARENESS**

Age	Level of Awareness			Total
	Low	Medium	High	
18-25 years	24 (32%)	24 (32%)	27 (36%)	75 (25%)
26-35 years	33 (30.27%)	48 (44.04%)	28 (25.69%)	109 (36.33%)
36-45 years	6 (20%)	10 (33.33%)	15 (40.54%)	31 (10.33%)
46-60 years	10 (27.03%)	12 (32.43%)	14 (46.67%)	36 (12%)
Above 60 years	16 (32.65%)	19 (38.78%)	14 (28.57%)	49 (16.33%)
Total	89	113	98	300

**df = 8      Chi-Square Value = 17.193      Table value at five per cent level = 15.507** From the table it could be inferred that, the percentage of respondents with high level of awareness is found to be high in the 46-60 years of age group. The percentage of respondents with low level of awareness is also found to be high in the above 60 years of age. Comparing the percentage, it is found that percentage is high with respondents in the age group of 46-60 years. Thus it is evident that aged respondents have more awareness by UPI system when compared to others. However, as the calculated chi square value is higher than the table value at five percent, the null hypothesis is rejected. Hence there is exists a significant association between the age and level of awareness of UPI users.

### (ii) Gender and Level of awareness of UPI customers

In order to examine whether there exist a significant association between the Gender and Level of awareness of UPI users, the following hypothesis has been framed and tested.

$H_0$ : Gender does not influence the level of awareness of UPI users

**TABLE - 2 GENDER AND LEVEL OF AWARENESS**

Gender	Level of Awareness			Total
	Low	Medium	High	
Male	42 (31.82%)	45 (34.09%)	45 (34.09%)	132 (44%)

Female	47 (27.98%)	68 (40.48%)	53 (31.54%)	168 (56%)
Total	89	113	98	300

- **df = 2   Calculated Chi-Square Value = 1.319   Table value at five per cent level = 5.991**

From the table it could be inferred that, the percentage of respondents with high level of awareness is found to be high in male respondents. The percentage of respondents with low level of awareness is also found to be high in the same male respondents. Comparing the percentage, it is found that percentage is high with male respondents. Thus it is evident that male respondents have more awareness when compared to female respondents. However, as the calculated chi square value is lower than the table value at five percent, the null hypothesis is rejected. Hence there is exists a significant association between gender and level of awareness.

### **(iii) Area of residence and Level of awareness of UPI customers**

In order to examine whether there exist a significant association between the area of residence and level of awareness of UPI users, the following hypothesis has been framed and tested.

$H_0$ : Area of residence does not influence the level of awareness of UPI users

**TABLE - 3 AREA OF RESIDENCE AND LEVEL OF AWARENESS**

Area	Level of Awareness			Total
	Low	Medium	High	
Rural	34 (30.36%)	46 (41.07%)	32 (28.57%)	112 (37.33%)
Urban	55 (29.24%)	67 (35.64%)	66 (35.12%)	188 (62.67%)
Total	89	113	98	300

- df = 2   Calculated Chi-Square Value = 7.508   Table value at five per cent level = 5.991**

From the table it could be inferred that, the percentage of respondents with high level of awareness is found to be high in the urban area. The percentage of respondents with low level of awareness is found to be high in the rural area. Comparing the percentage, it is found that percentage is high with respondents in the rural area. Thus it is evident that respondents in urban area are more aware when compared to other area. However, as the calculated chi square value is higher than the table value at five percent, the null hypothesis is rejected. Hence there is exists a significant association between area of residence and level of awareness.

## **CONCLUSION**

Government of India has launched several payment apps for digital payment and encourages everyone to transact through digital payment system. From the above findings, most of the customers are more aware of digital payment. A significant gap emerges between consumers' awareness of digital payments and their socioeconomic status. Effectiveness of digital payment, safe and secure, convenient, cost and time saving, user-friendliness, simplicity and privacy protection have a positive and significant impact on the adoption rate of digital payment by consumers.

## ACKNOWLEDGEMENT

This article has been published using *Seed Money granted by Management* of Nallamuthu Gounder Mahalingam College (Autonomous), Pollachi.

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