

Consumer perception towards UPI-Online payment

Prof. Tanvi A. Kothi

Visiting Faculty, Dr. Homi Bhabha State University's Sydenham College of Commerce & Economics, Lala Lajpatrai College of Commerce & Economics, Lilavati Lalji Dayal High School & College of Commerce
tkothi@gmail.com

Prof. Vinit A. Upadhyay

Visiting Faculty, Dr. Homi Bhabha State University's Sydenham College of Commerce and Economics, Lala Lajpatrai College of Commerce & Economics, HSNC University's K.C. College, HSNC University's H.R. College of Commerce & Economics, Lilavati Lalji Dayal High School & College of Commerce
vinipandit0083@gmail.com

1) Abstract:

Many security and safety concerns for users always surround online payment. The growing popularity of online shopping has increased the spread of online payments. The growth of online payment is always under question because of malicious applications with a virus, trojans, spoofing, or spamming activities that are prevalent threats. Along with such activities, there has been a tremendous growth in the threat to critical financial information of the user being at stake. Information security is also one of the essential and influential parts of online payment. Online payments have increased the transaction speed to boost economic activities and other benefits but also come with a risk of security. Unified Payment Interface (UPI) developed by NPCI closely works to provide safety & security to consumers for their retail payments. The trust factor has a huge role in changing consumer perception towards online payment. UPI plays a vital role in changing consumer perception of retail payments along with instant confirmation of receipt, no lengthy process for payment, and most importantly, safety and security of the transaction even while using third-party application for making payment using UPI facility. NPCI states that the volume of transactions on the UPI platform reached a record high of 421 crore on November 1st, 2021, indicating a clear preference among consumers for its utilization.

Keywords: Digital Payment, UPI, BHIM, Online Payments, NPCI, Payment System

2) Introduction:

Indian psyche of carrying hard cash is going through a paradigm shift. This remarkable development was never seen despite growth in the utilization of debit cards and credit cards or any other such facility. People would prefer to carry hard cash to execute retail transactions amounting from Re.1/- to Rs. 2,000/- or even more. The habit of having hard cash and not wasting time executing retail transactions have been key features for people preferring to use hard cash. Due to this, several questions were asked to the government regarding the "Digital India" movement. Will it be possible to dream of "Digital India"? Will it be able to transform people's mindsets about using digital transactions?

India's Settlement System is regulated by the Reserve Bank of India, which oversees payments and other related activities. Making India "less cash" is a primary focus of RBI by promoting digital payments. RBI had also worked on developing systems like RTGS or NEFT, but it helped resolve issues of wholesale or business transactions in big volumes. It was necessary to increase the horizon of digital payments in the retail segment to transform digital India. Retail transactions have different challenges. Retail payment receivers will require an instant update on the receipt, which is impossible in systems like NEFT or RTGS. The UPI of the National Payments Corporation of India has been a game changer, transforming India's retail payments segment by enhancing the speed of transactions and boosting user confidence. It is crucial to ensure that UPI enhances a safe and secure environment for online payments. Consumer confidence will enhance the way of online payment. The development of online payment systems played a pivotal role in e-commerce business development across the globe. Various methods like credit cards, debit cards, e-wallets, electronic fund transfers, e-money, and many more have transformed the way of executing payments. UPI has played a critical role in transforming online payments by eliminating the need to input various details, OTPs, passwords, and other similar information, unlike other online payment methods. UPI extensively uses QR code technology, requiring no trouble of input of beneficiary data rather immediate processing of payment using UPI pin. Safety is always a concern while making online payments highest level of control, monitoring, and audit is required to provide a secure environment for users to utilize the services. It gives confidence to the users to utilize online services without any trouble or difficulty.

3) Objective:

This paper looks forward,

- To study the impact of UPI on retail payments.
- To analyze the consumers' perception towards using UPI for online payment (w.r.t. safety & security) and the age of consumers.

4) Review of the Literature:

- **Mrs. J.SalomiBackiaJothi, Ms.AarthiI (2019):** The paper covered a data sample of 75 college students from a suburb of Chennai in which most respondents placed easy accessibility and convenience ahead of secure transaction facilities. The paper also discussed various advantages and disadvantages of UPI; one-third of youth today use UPI, mainly due to easy of accessibility feature. The research concluded that UPI is an effective alternative for millions of people in India.
- **Dinesh M. Kolte, Dr. Veena R. Humbe (2019):** The focus of the paper was on studying the UPI/BHIM payment system in India. It discussed that students are passionate about real-time payment and its settlements in a bank account. The paper discussed extensively various parameters like use of a type of application used, the number of transactions, and the purpose of using UPI but concerns relating to the usage of UPI by users should have been discussed.
- **Booklet on Digital Payment- Trends, Issues, and opportunities by NITI Ayog (2016):** While discussing cybersecurity and data privacy laws, regulators expressed concern regarding the frequency and intensity of cyber-attacks and data breaches. It's worth noting that the cyber insurance industry in India experienced a 35% growth in 2016.
- **Rahul Gochhwal (2017):** In his research on " United Payment Interface - An advancement in payment system," he examined UPI operations. He stated that most people are utilizing and adapting the digital payment system. Virtual payments release the ease of disclosure of personal bank details and minimize errors. Research showcases an increasing trend in the volume growth of users. This research concludes that safe and received transactions can be accessed from anywhere at any time in a limited time.

5) Methodology:

During the detailed study, I received primary data from 116 respondents residing in different parts of Mumbai city through a Google Forms survey. In addition to the references, the document contains previously collected secondary information.

6) Hypothesis:

H₀: There is no significant difference between age group and the perception towards using UPI for online payment (w.r.t safety & security pertaining to online payment)

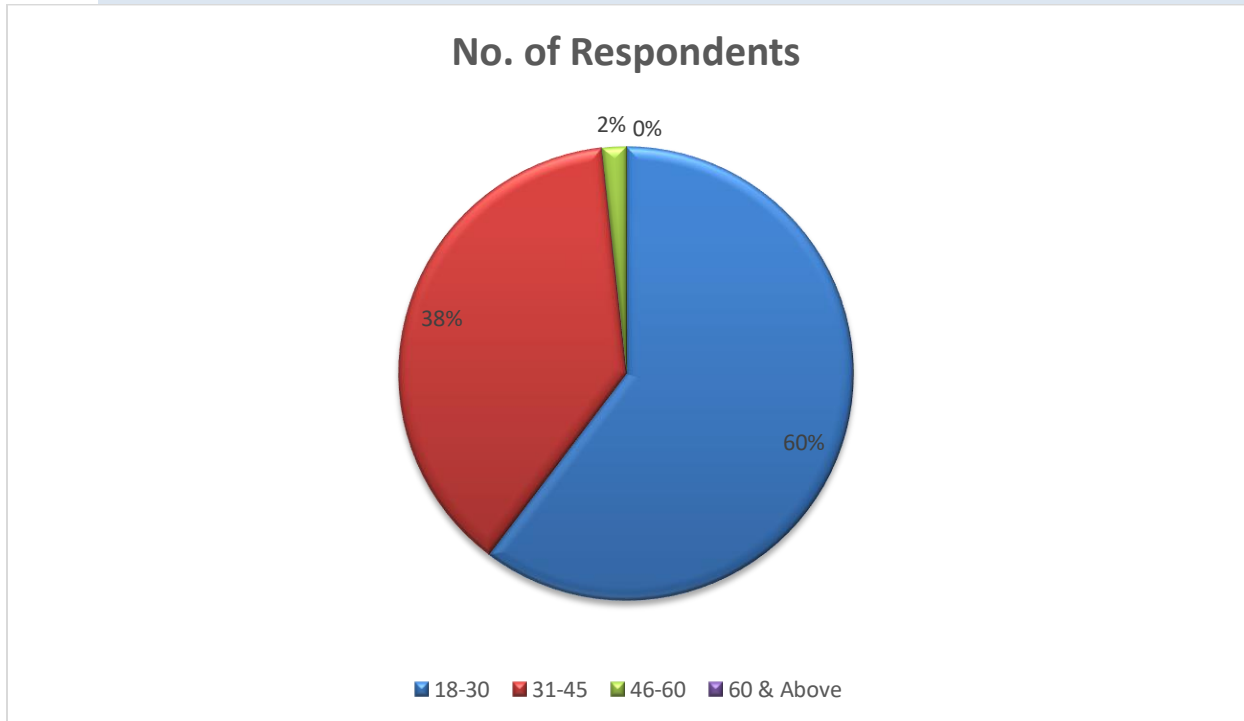
7) Views on the Topic:

The vision to develop digital India is incomplete without transforming how retail transactions occur in the country. The process would not have an impact unless the retail transactions are made consumer friendly for the person making the payment and the person receiving the payment. Retail transaction volume is large, and utilization of physical currency has been inevitable. To bring about this revolution, the Reserve Bank of India and the National Payments Corporation of India worked closely to bring about a revolutionary development in the form of a "Unified Payment Interface," popularly known as UPI. Jio, demonetization & covid made a radical change in the way retail transactions were carried out in India using UPI as a tool for making India go digital. It has earned the trust of people using it to make payment & even the person receiving money through it. Instant notification confirming the payment resolved the issue of recipients trusting this mode of payment to be a part of their regular business practice. There have been several studies conducted to understand various aspects and features of UPI. However, it is also necessary to understand how UPI had an impact on the safety and security concerns of consumers while making an online payment. In India, it is also observed that all age groups need to have a tech-savvy approach. It is important to understand how it impacts usage while making payments online.

In order to study what consumers, feel about the impact of age group on the perception of the consumer using UPI regarding safety & security concerns while making payments, in total, there were 70 respondents from the age group of 18-30 years out of total 116 respondents.

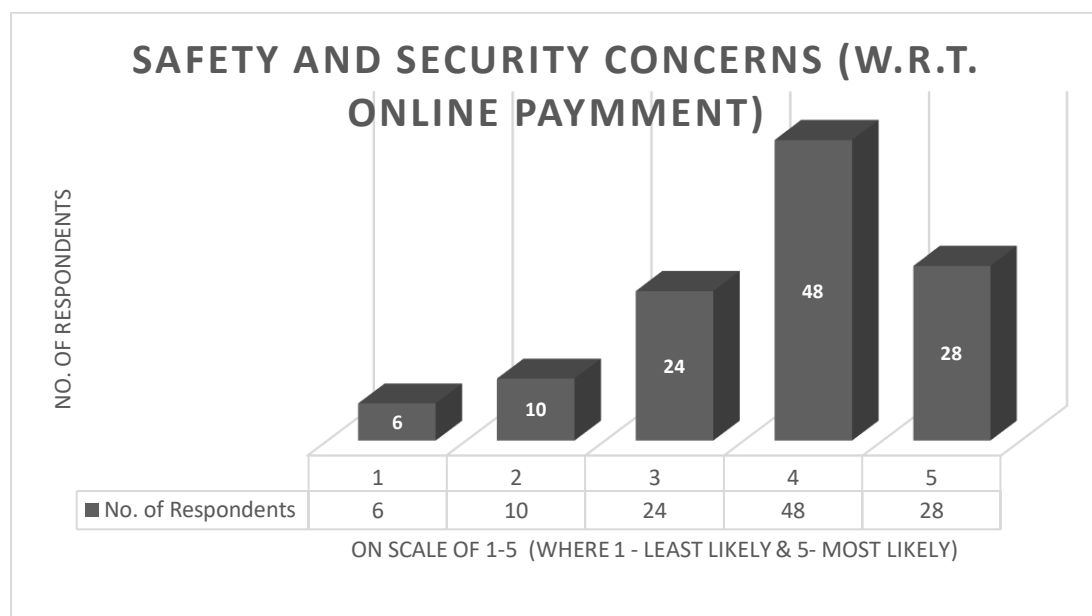
Table: 1 - Count of the number of respondents (Age-wise distribution)

| Age Group | Count of respondents |
|--------------------|----------------------|
| 18-30 | 70 |
| 31-45 | 44 |
| 45-60 | 2 |
| 60 & above | 0 |
| Grand Total | 116 |



(Source: Primary Data)

In the overall scenario, it was found that 60% of the overall respondents were between the age group of 18-30 years of age. No responses were received from 60 & above age group.



(Source: Primary Data)

It was observed that most respondents rated UPI as most likely to be safe & secured for making online payments. 28 respondents rated UPI as the most likely, whereas only 6 out of 116 respondents were of the opinion that, they are least likely to use UPI as a safe and secure method for making online payments.

To study the age group-wise perception of respondents towards using UPI for online payment w.r.t. safety & security concerns regarding online payment, it was necessary to identify consumers' outlook. To study the degree of difference in the perception of consumers based on gender, a chi-square test was applied.

Table 2: Chi-Square Tests

| | Value | df | Asymp. Sig. (Two - sided) |
|--------------------|--------|----|---------------------------|
| Pearson Chi-Square | 41.392 | 24 | .015 |

(Source: Compiled from Primary Data)

The table represents the Chi-Square analysis to determine the influence of age on the perception of using UPI services for online payments. The significant value of 0.015 determines that age is

significant in the perception of using UPI services for online payments. Thus, the null hypothesis that age does not significantly affect perception towards using UPI services for online payments has been rejected.

8) Conclusion: It is evidently seen that the perception of people using UPI to make online payments is not significantly changing w.r.t safety & security concerns regarding online payment. Sparing apart a couple of incidences, consumer trust UPI as a safe and secure way of making an online payment. It is also essential to note that consumers trust UPI to make payments online." It has been a game-changer reform in the retail payment system. In fact, the adoption of this method among various countries will boost people's confidence and will also transform payments in the future for making international payments as well.

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Research paper

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