A STUDY ON ADOPTION OF UPI PAYMENTS FOR DIGITAL PAYMENT WITH SPECIAL REFERENCE TO CITIZENS OF BENGALURU KARNATAKA

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Abstract
The central government had an initiative called Digital India for transparency and quick services for the citizens of India. As an effect Digital India initiative there is tremendous growth in mobile applications, which directly helps increased growth in digital payments. The use of digital payments gives more transparency to money transactions which improves the Indian economy. A Unified Payment Interface (UPI) is introduced by the National Payments Corporation of India (NPCI), the Banks that are listed with the UPI application by NPCI are termed as Payment Service Providers (PSP).In this paper, an attempt is made to identify the adoption of the Unified Payment Interface application and to know user preference in the adoption of UPI applications. This research is based on both primary and secondary data that has been used in this paper with reference to Bengaluru citizens to make utilization to accomplish the objectives.

Introduction

A Unified Payment Interface (UPI) is a payment system and application, it allows users to transfer money from one bank account to another bank account. It is a mobile payment system established by the National Payments Corporation of India (NPCI). The user can send or receive money on the UPI platform without revealing bank account details. It eradicates the need to enter bank details or other sensitive information each time a customer initiates a transaction. Currently, Every Bank provides its own UPI Application for customer benefits. This facility is facelifted by the National Payments Corporation of India (NPCI) as a result of the Digital India ambitious initiative program of the Government of India with the vision of digital empowerment and a knowledge economy. Which was launched by the Hon'ble Prime Minister of India on July 1, 2015. Digital India program completed six years on July 1, 2021. as we know on 8th November 2016, the government of India, took a historical measure of social engineering called Demonetization. Two major denomination notes, Rs. 1000 and Rs. 500 which made up around 86% of total currencies in India, were demonetized with immediate effect. The government placed restrictions on the convertibility of domestic money and bank deposits. For a period extending to over 2 months, there was a shortage of cash in the country. The citizens of India were in search of easier, faster, and cash equivalent measures of payment. This shortage of cash led to the opening of the era of digital payments in India. After this most Indian citizens accepted the digital India era and adopted easy and cashless transactions by using the UPI payment system. Currently, most of them are using UPI apps the fast and easier transactions.

Prerequisites to use UPI service
❖ Bank a/c
❖ Mobile number linked with bank a/c
❖ Smart Phone with internet facility
❖ UPI app
❖ Debit Card for activation
❖ Creation of UPI pin

Steps for Registration
The user can register himself by following the 3 steps
- ❖ Step1 - Download UPI app from the App Store or Banks website
- ❖ Step2 - User should create his/her profile by entering details like name, virtual id (payment address), password etc.
- ❖ Step3 -Next go to "Add/Link/Manage Bank Account" option and link your bank and account number with the virtual id.

Services Offered UPI applications
- ❖ Balance Enquiry
- ❖ Transaction History
- ❖ Contacts
- ❖ receive / send Money
- ❖ Virtual Address
- ❖ A/c no. & IFSC code
- ❖ Collect Money - on Virtual Address
- ❖ Add bank account
- ❖ Change / Set UPI PIN
- ❖ Notifications
- ❖ A/c Management
- ❖ Mobile Banking Registration*
- ❖ Generate One Time Password (OTP)
- ❖ Check Transaction Status
- ❖ Raise Dispute/Raise query

Objectives
- ❖ To understand various UPI application platforms available.
- ❖ To identify the volume of UPI transactions.
- ❖ To study the utilization of UPI application.
- ❖ To study the level of adoption of UPI apps.
- ❖ To study the user preference.

Research Methodology
The data is based on both primary and secondary data of information. For collecting primary data used a structured questionnaire with a set of questions. The questionnaire related to research study was circulated online to collect the required information. A convenient sampling method was used on more than 400 respondents who were surveyed through a structured questionnaire. Respondents are citizens of Bengaluru, Karnataka state, who use digital payments at various outlets and for inter-bank payments. Certain useful information was made from Secondary Data collected using previous research study on similar topics and the NPCI website.

Review of literature
Dinesh M. Kolte1, Dr. Veena R. Humbe in the paper " A Study of UPI/BHIM Payment System in India " published on 2019 .The research paper is to know the awareness and use of UPI services in students of Aurangabad which UPI/BHIM APPs are commonly used by students The study is limited to 200students were selected from Aurangabad city. This research paper found that students are passionate

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at real-time payments and its settlement in bank account. They are using third party apps for the UPI payments, the students are commonly use UPI apps for ₹1 to ₹ 10,000/- payments.

Pragya Chawla, Arun Singhal & Pawan Bajaj in the paper "a study on awareness and adoption of unified payments Interface (UPI) for digital payments published on 2019. The research paper is based on primary and as well as secondary data. The object was to find the most preferred mode and application for digital payments by the people. The study also focuses on level of awareness and its adoption of different age groups and income levels. The study suggested that the people are aware of UPI but the most of all using wallets and card payment rather than the UPI and also stated   certain measures to increase the users of UPI.

Dr.VirshreeTungare in his research paper "A Study on Customer Insight towards UPI an Advancement of Mobile Payment System" published on 2018 .the research methodology is primary and secondary in nature, in this paper the author explains Uniqueness of UPI than other digital payment methods. The objects is to study the awareness of UPI and to study the adoption of UPI system in customers of Indore region. The study describes how the UPI motivates the respondents of service sectors to adopt the UPI. The above study revealed that the respondent have a positive attitude towards the UPI transaction for ushering in a less-cash society in India.

Suma Vally and Hema Divya in the research paper "A study on Digital payments in India with perspective of consumer's adoption" published on 2018. The research paper is based on primary data, the main objectives is to examine impact on digital payments, to analyse the impact of customers education on usage of digital payments and analyse the impact of customer's income status on usage of digital payments. The findings of this study the deployment of technology for digital payments have improved the banking sector's performance and achieved the motive cash less country. The study results to the percentage of awareness on maximum utilization of technology. Banks should take effective measures in creating awareness towards the effective usage of technology and the security.

Miss. Prachi Jawade Prof. Praveen Suryavanshi in this research paper "TREND ANALYSIS OF UPI PAYMENTS DURING COVID 19" published on 2021, the Objectives of this study the impact of Covid-19 on Digital instalments. The authors explains by some Case studies to understand the various platforms available for UPI and also compared payments usage of UPI pre lockdown and during lock down. This study revealed the rapid increase in UPI payments in 2020.

The various UPI platforms
UPI Payment App
Unified Payments Interface is attaining popularity and is becoming one of the most preferred method of digital transactions in India. There are many UPI application in market which provides the UPI payment facility to the user, apart from this many banks have tied up with UPI, and customers can use this platform through bank apps as well as Many messenger platforms and mobile wallets in the market are offering UPI. Currently UPI payment applications are available the UPI platforms can be classified into three main platforms:

1. **Bank UPI apps**
    According to NPCI at present there 637 Member banks across India. In that the important bank UPI apps which is adopted by the citizens of Bengaluru.

I. Paytm Payments Bank

Paytm Payments Bank is a one of the bank and wallet application includes the Unified Payments Interface (UPI) system as one of its features. Paytm Payments Bank UPI will allows customer to transfer funds with a UPI ID to all merchants or account holders without any difficult. The Paytm Payments Bank offers interest rate to its users.

II. SBI Pay

The SBI pay application is a bank UPI application that specially built for UPI transactions. The main benefit of this app is that even those who do not hold an account in SBI can use the app for UPI transaction using a VPA. The app is very user friendly to use and user can easily register for the service after installing of the app.

III. IMobile

The ICICI Bank is providing the UPI services through the IMobile and Pockets app .This app is available in Google Play store and I-store. The user can transfer money through this app to any bank account holder the has to go to the Funds Transfer option and click on the UPI method.

IV. Axis Pay

It is one of the bank UPI application that has launched by axis to provide UPI payment platform for its customers. This is a very user-friendly interface application and various other features rather than the UPI services.

V. BOB UPI App

The Bank of Baroda is also introduced BOB UPI application, this app is available in Google Play store and I-store. The customers will gets certain additional features that are not available on other UPI apps and it is one the benefit of this application.

VI. CANDI app

The Unified Payment Interface (UPI) offered by Canara Bank in the name of '**Empower**'. These app facilities customers of Canara Bank the customers of Canara bank can use this app to collect and pay transactions with other bank customers   through a single mobile app.An User can use multiple bank accounts that account holder holds through the Empower app.

VII. BHIM KBL UPI App

The Karnataka bank also provides UPI services to its customer by BHIM KBL UPI APP. The BHIM KBL UPI app provides UPI services to Bank's customers it allows customer to add own and other Bank accounts by registered mobile number the customer can use this application for receiving and fund transfer request based on UPI ID.

2. Third party UPI apps

According into the NPCI there are 20 listed third party UPI apps, In that listed third party UPI apps most using third party UPI

I. PhonePe

This is one of the most popular UPI third-party payment applications that allows users to operate using the UPI interface. At present phonepe is the most preferred app for UPI transactions. The app was founded in the year 2015, In Phonepe Yes Bank, axis bank and ICICI bank UPI IDs are available for the user. At present 25 crs people are active users of phonepe

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.this shows that phonepe is user-friendly for UPI transactions rather than any other UPI transactions

II. Google pay

The google first it was introduced as google wallet in 2011, later it was renamed as android pay in 2015 again it was renamed as google pay in the year 2018.in google pay axis bank , HDFC bank , ICICI bank and , state bank of India virtual IDs are available for the benefit of UPI user. At presently 7cr People are using google pay.

III. Amazon pay

The amazon pay is also a UPI application founded in 2007, Amazon pay axis bank and yes bank UPI IDs are available for UPI transactions, compare to other third party apps the amazon pay users are less compare to other third party UPI apps.

IV. WhatsApp pay

What's app was a platform which is used to send and receive messengers, as an effect of digitalization WhatsApp launched WhatsApp pay in the year 2018. But most of them are not aware of WhatsApp pay and the users are very less compared to other UPI application

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3. BHIM UPI app

The National Payments Corporation of India (NPCI) has developed the BHIM (Bharat Interface for Money) app and was introduced in 2016. This app is identified for its simplicity. It also offers a very secure interface. The payment interface comes with all the important features and is known for its good user experience. Fund transfers can be executed either through VPA, QR code or bank account number and IFSC Code.

Product statistics of UPI transactions as per the official website NCPI.
(https://www.npci.org.in/product-statistics/upi-product-statistics)

Month	No. of Banks live on UPI	Volume (in Mn)	Value (in Cr.)
Jul-22	338	6,288.40	10,62,747
Jun-22	330	5,862.75	10,14,384
May-22	323	5,955.20	10,41,506
Apr-22	316	5,583.05	9,83,302.27
Mar-22	314	5,405.65	9,60,581.66
Feb-22	304	4,527.49	8,26,843.00
Jan-22	297	4,617.15	8,31,993.11
Dec-21	282	4,566.30	8,26,848.22
Nov-21	274	4,186.48	7,68,436.11
Oct-21	261	4,218.65	7,71,444.98
Sep-21	259	3,654.30	6,54,351.81
Aug-21	249	3,555.55	6,39,116.95
Jul-21	235	3,247.82	6,06,281.14
Jun-21	229	2,807.51	5,47,373.17
May-21	224	2,539.57	4,90,638.65
Apr-21	220	2,641.06	4,93,663.68
Mar-21	216	2,731.68	5,04,886.44

This table indicates how just in a span of one year, the volume of UPI Transactions has increased to 6,288.40 mn and the value increased to Rs 10,62,747 Cr, these are official statistics from the website of NPCI. UPI Payment system has brought a big change in peer-to-peer payments and a lot of recurring cash transactions is now done UPI payment system.

Data Analysis and Interpretation
The data for this study the data was collected through a questionnaire circulated through the internet to more than 400 respondents. The respondents are from Bengaluru Karnataka who is using the UPI application for interbank payment.

Results
1. The responses revealed preferences of payments by respondents. Most of their preferred option was UPI (76.5%) followed by cash (9.6%) card payment (5.2%) and the least preferred cheques (8.7%). (Chart-1)

2. The responses show that Third-party UPI apps (49.6%) are more preferred, followed by all the three (31%), bank UPIs (13.3%) and BHIM App (6.1%) is preferred for mobile UPI applications aamong400 respondents. This shows a high inclination of people
    Towards third-party UPI applications. (Chart -2)

3. The responses show that most of them are using UPI digital payment for transaction of Rs1000- Rs10,000 (44.7%) ,followed by Rs1- Rs1000 (33.3%), and the least for Rs1,00,000 and above .(chart -3)

4. The responses show that most of UPI users are using UPI application from 2-3 years (48%), followed by 0-1 year (31%) and least from 5 –above years.(chart-4)

5. The responses show that satisfied users (76.9%), followed by Not satisfied users (15.4%) and Maybe (7.7%).(chart -5)

Diagrammatical representation
➢ The users of different payment methods are categorized based on the preference and adopted payment mode as per chart-1 given below
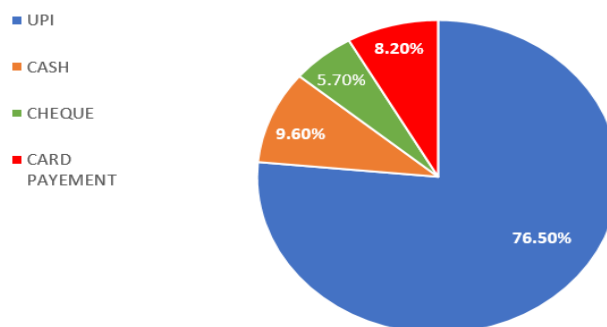

Chart-1: Mode of payment adopted

As per chart -1 it is found that most of the citizens of Bengaluru are using UPI as a mode of payment, and it leads to rapid growth in digital payments in Bengaluru. An effect of digital India the citizens are preferring UPI payment system and using UPI applications for easier and fast transaction.

➢ The UPI application users are categorized based on the use of UPI Application as per chart-2 given below.
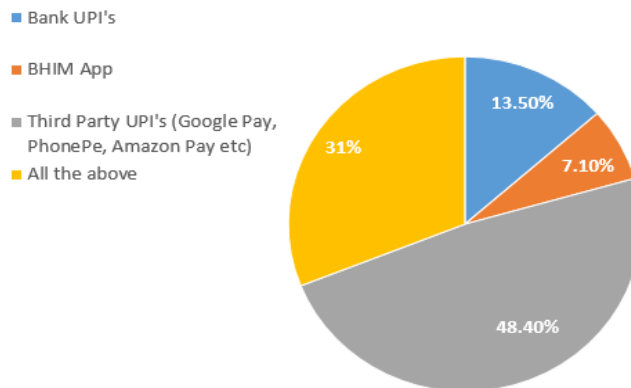

Chart - 2: The adoption of the UPI application

As per chart -2, it is found that the citizens of Bengaluru are mostly using 3rd party Apps for UPI payments like Google Pay, PhonePe, Paytm, Amazon Pay, etc. The cash back and other cash back-related offers offered by the 3rd party app providers and the advertisement by third-party applications can be reasons for use of third-party apps. The unawareness of bank UPI apps is also a reason for more adoption of third-party applications.

➢ The UPI application users are categorized based on the UPI transaction as per chart-3 given below
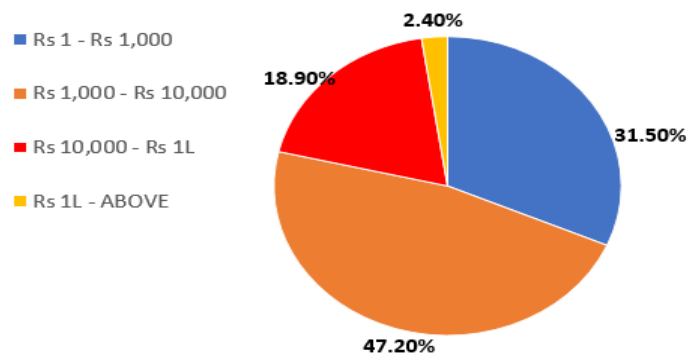

Chart -3: The level of adoption

As per chart -3 it is found that most of the citizens of Bengaluru are using UPI applications for a payment of Rs1, 000-Rs10,000 and Rs1-Rs1,000 .it shows that most of middle-class people are

using UPI apps in Bengaluru most of the time the UPI apps are used for the purchase of product and service .it determines the level of UPI apps adoption in Bengaluru.

➢ The UPI application users are categorized based on the years of adoption of UPI application as per chart-4 given below
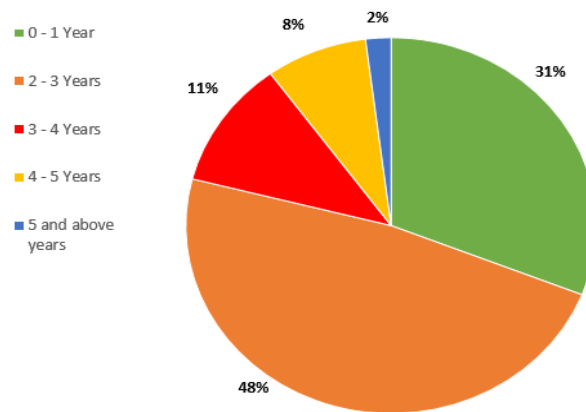

Chart -4: The years of adoption

As per chart -4 it is found that most of the citizens of Bengaluru are using UPI application from 2 to 3 years and from 1 year it determines the year of adoption of UPI application. An effect of digital India that citizens are shifted to a cashless economy by adopting a UPI payment system.

➢ The UPI application users are categorized based on the satisfaction of UPI application as per chart-4 given below
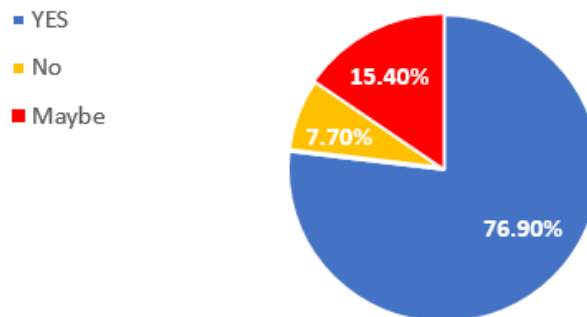

Chart -5: The level of satisfaction

As per chart -5 it is found that the citizens of Bengaluru are satisfied with UPI payment system, it leads to rapid growth in digital payment adoption at present and also in future.

Conclusion

In above study it is shown that most of the citizens of Bengaluru are extensively using the 3rd party UPI application rather than the bank UPI apps and BHIM app .the adoption of the UPI payment system is rapidly increasing, it ensures that people of Bengaluru are towards a cashless economy. because The UPI is a convenient payment system for easy and fast transactions, This will help people with digital payments without the need for any complex mechanism, the continued growth in the adoption of digital payment systems leads to a transparent economic system in India and it promotes straightforwardness of money in the nation and straightforwardly control the dark cash in India. in the study found that as the number of digital payment users are increasing, the adoption of UPI payment system also increasing and it is expected to increase in the adoption of UPI in the future.

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