



The Increase in India of Mobile Payments Based on UPI

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ABSTRACT

The new mobile payment system Unified Payments Interface (UPI) was introduced by the Indian government to promote digital transactions. Apart from growing in popularity within India, UPI has also been embraced in Bhutan. Ten additional Asian, United Arab Emirates, and African nations are scheduled to get it. In this report which examines UPI's global reach, growth in India, and future expansion plans. Based on 177 publications and current literature. the study emphasizes the superior performance of UPI in comparison to alternative digital payment methods Paytm, PhonePe, and Google Pay all contributed significantly to the uptake of UPI. Notwithstanding obstacles like the Covid19 pandemic's effects and the Bharat Interface for Money app's failure,

UPI has remained profitable. With an emphasis on credit and cash withdrawals, the study highlights the necessity of addressing transaction failures and cyber frauds in order to improve UPI utilization. It concludes that transactions between customers and merchants will change as a result of UPI payments utilizing Near communication.

INTRODUCTION

Technology has altered the way that people in India make online payments in the last few years. India is moving toward utilizing less cash as a result of the penetration of phones and the internet. Since they didn't trust new technology, some Indians were unwilling to use it. None the less, the nation has begun to implementing reforms to streamline payments. The number of the digital payments is growing globally and by 2026 the market is predicted to grow to USD 10.7 trillion. The Reserve Bank of India RBI and the Indian government aspire to establish a "less money society." Financial services have grown significantly as the result for the involvement of banks and the digital payment ecosystem provides the range of services, including RTGS, NEFT, IMPS, BHIM UPI, and others etc. Cash is still commonly used in India, while there are obstacles to the introduction of digital payments, such as high costs and restricted options

REVIEW OF LITRETURE:

- Adoption of mobile phones is a major technological advancement that has an impact on society and progress (Madan & Yadav, 2016).
- According to Jucevski et al. (2020), this trend offers payment systems significant growth potential.
- Technology, particularly mobile phones, has a significant impact on how businesses operate and how prepared a nation is for the future.
- The goal of global governments' heavy investment in digital economies is growth and value creation.
- The digital payments ecosystem is influenced by distinct value propositions, a conducive atmosphere, legislative backing, and cutting-edge technologies.
- Mobile payment (M-payment) is a modern method comprising fund exchanging for products or services utilizing internet-enabled mobile phones (Mallat & Tuunainen, 2008).

OBJECTIVES:

- Recognize the impact of the UPI has on customer satisfaction.
- Finding out how UPI differs from conventional services.
- Examine the different ways of the users interact with the unified payment interface.
- Determine if the respondents employment and level of education are related to the UPI services



UPI'S STATUS IN THE DIGITAL PAYMENT ECOLOGY OF INDIA:

There are various participants in India's digital payment system, including the payer, the recipient, their banks, and yours. By offering paperless methods for making payments and transferring money, this technology brings people together. Aadhar based payments, cards, USSD, Internet banking, mobile wallets, and UPI are just a few of the digital payment systems that the Reserve Bank of India RBI keeps tabs on. With 2.53 billion transactions as of May 2021, UPI accounts for 58.47% of all digital transactions. More than half of all digital transactions now use UPI, which was initially intended for retail digital payments. With their larger transaction limits, NEFT and RTGS continue to lead in terms of the overall amount transferred, accounting for 89.29% of all digital transactions in May 2021, which totaled 104.52 trillion rupees.

PAYMENTS DIGITAL:

Making payments online, through mobile applications, e-wallets, or other digital tools is known as digital payments. This falls under the category of fintech or digital banking. Money sent or received without the use of cash is referred to as a digital transaction by the Reserve Bank of India RBI. People are switching from traditional paper based methods of payment to digital ones at an increasing rate. Electronic payment methods are here and they have made it possible for more consumers to participate in the financial activities in the retail firms,

Businesses are utilizing digital payment methods for their transactions in order to stay up to date with the digital world. On the other hand, some issues require immediate action. Digital payments have become more popular in retail enterprises in India. People are making use of IMPS, UPI, card payments, and e-wallets. Although cash is still frequently utilized, it is currently viewed less as a means of making payments and more as a means of storing wealth. It is anticipated that payments will become more rapid, easy, and competitive in the future.

In India, digital payments have increased to two speedy payment systems: IMPS and UPI. The e payments system in the nation has grown significantly, particularly since the demonetization.

UPI's Effect on the Payments Sector:

Both customer acceptance and the amount of transactions have significantly increased since UPI's launch in August 2016. There are about 60 active UPI apps and 55 banks at the moment. UPI apps were downloaded by more than 20 million users in just the first year, and by August 2017, there had been 227 billion transactions made. Even while UPI transactions now exceed the total value of all e-wallet transactions, they still fall short of credit and debit card transactions, which total Rs. 2700 billion monthly. The rise of UPI is more rapid than that of these conventional payment systems. Person to person transactions currently make up the majority of UPI transactions, however as more businesses use UPI, it is anticipated that merchant payments will rise. Current point of sale POS systems

CONCLUSION:

With more than 55 banks and 60 active UPI apps, the Unified Payments Interface (UPI) has expanded quickly since its 2016 launch. Twenty million people downloaded UPI apps in less than a year, and by August 2017, there had been 227 billion rupees worth of transactions. Although UPI still has lower monthly transaction values than credit and debit card transactions, it now exceeds the aggregate value of all e-wallets. Notably, the growing rate of UPI is surpassing that of older approaches. Merchant payments are anticipated to rise in spite of the current dominance of person-to-person transactions due to growing business use. Updating current point-of-sale (POS) devices to accept UPI payments is necessary for future growth. In conclusion, UPI

has a huge impact on the digital payment ecosystem in India. It may also have worldwide repercussions and fundamentally change how peer-to-merchant transactions are conducted.

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