



## From Cash to Clicks: The Rise and Impact of UPI in India

*Vanshika Balad<sup>1</sup>, Priyanka P<sup>2</sup>, Harshvardana<sup>3</sup>, Om Jaiswal<sup>4</sup>, and Professor Krishna Reddy B.N.<sup>5</sup>*

### ABSTRACT :

The 21st century is defined by smartphones and internet access, paving the way for technology-driven payment systems like UPI, the next frontier in financial transactions. India's financial landscape has witnessed a dramatic shift with UPI's rise from a novel concept to a dominant force. This paper explores this phenomenal journey, analyzing the key factors that fueled UPI's adoption, such as government initiatives promoting financial inclusion and demonetization. However, the paper also acknowledges the challenges associated with widespread UPI adoption. Security concerns like cybersecurity and data privacy, along with the persisting digital divide in certain regions, require attention. We propose potential solutions and future directions to ensure UPI's sustainable growth and its continued positive impact on India's financial future.

Keywords UPI (Unified Payments Interface), Digital Payments, Cashless Economy, Financial Inclusion India

### INTRODUCTION :

The Unified Payments Interface (UPI) has revolutionized India's financial landscape, facilitating seamless digital transactions for both merchants and customers. Developed by the National Payments Corporation of India (NPCI), UPI played a crucial role in the country's transition from cash to digital payments, especially after demonetization.

UPI simplifies transactions for customers and merchants alike. Customers can easily scan QR codes displayed by merchants, enter payment details, and confirm transactions, eliminating the need for tax computation or invoice production. This shift has not only streamlined financial transactions but also triggered a socioeconomic paradigm shift in India.

Launched in April 2016, UPI was envisioned to provide a unified platform for instant, secure, and interoperable fund transfers. Its user-friendly architecture leverages smartphone penetration and internet connectivity, making financial services accessible even in remote areas. This accessibility has democratized financial services, fostering a culture of digital transactions nationwide.

Since its inception, UPI has witnessed exponential growth, registering billions of transactions annually. Its impact extends beyond efficiency, driving financial inclusion and economic development. UPI has empowered marginalized communities to participate in the formal economy, spurring entrepreneurship and innovation in the fintech sector. However, UPI's rapid proliferation also raises concerns about data security, privacy, and regulatory oversight. Striking a balance between innovation and regulation is crucial to maximize its benefits while mitigating risks.

In conclusion, UPI signifies India's transition towards a cashless, inclusive, and digitally-enabled economy. Understanding its multifaceted effects on society, the economy, and governance is essential for navigating this transformative shift. By harnessing technology to foster financial inclusion and economic empowerment, UPI exemplifies India's potential to lead in the global digital economy.

The COVID-19 pandemic accelerated the adoption of digital technology in retail, impacting UPI payments significantly.

### TITLE OF THE STUDY :

From Cash to Clicks: The Rise and Impact of UPI in India

### STATEMENT OF THE PROBLEM :

Despite UPI's rapid growth in India, its comprehensive impact on the economy and society remains underexplored. This research aims to analyze factors driving its success, its influence on stakeholders, and potential challenges hindering its full potential.

India's shift from cash to digital payments, accelerated by UPI, is a notable aspect of its changing financial landscape. However, understanding UPI's growth drivers and penetration across demographics is crucial for assessing inclusivity and accessibility. UPI's impact on traditional banking, financial institutions, and regulatory frameworks needs scrutiny as it disrupts established modes of financial intermediation. Its implications for sector stability, efficiency, and regulatory oversight are significant considerations.

The efficacy of UPI in promoting financial inclusion and empowering underserved communities is debatable due to concerns about digital literacy, rural accessibility, and the exclusion of marginalized groups. Security and privacy implications of widespread UPI adoption raise concerns about data protection, cybersecurity, and fraud prevention. Safeguarding user privacy and preventing unauthorized access are paramount.

UPI's emergence has spurred innovation and disruption, reshaping the competitive landscape. Understanding this ecosystem dynamics is essential for fostering innovation and entrepreneurship. This research aims to critically analyze UPI's rise in India, addressing its implications for financial inclusion,

economic development, regulatory frameworks, and societal transformation. It aims to contribute significantly to discussions on digital payments and India's financial sector future.

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### OBJECTIVES OF THE STUDY :

1. **Exploring the Shift from Cash to Digital:** This objective sets the stage by focusing on the central theme of your research - how UPI has changed payment behavior.
2. **Understanding User Adoption:** This objective delves deeper by analyzing why UPI appeals to a diverse population, encompassing both urban and rural areas, as well as varying income levels. This highlights the inclusivity of UPI.
3. **Examining Benefits of UPI:** This objective focuses on the advantages that drive user preference for UPI over cash. It highlights convenience, speed, and accessibility as key factors.
4. **Identifying Challenges:** This objective acknowledges that not everyone might have a smooth transition to UPI. It emphasizes the need to explore barriers like internet connectivity and smartphone access.
5. **Investigating Business Impact:** This objective broadens the scope by examining how UPI has impacted businesses of all sizes - small vendors and large corporations - in terms of sales, revenue, and operational efficiency.
6. **Evaluate the multifaceted impact of UPI on the Indian economy and society.** This could involve exploring its influence on financial inclusion, business operations, e-commerce growth, and financial transparency.

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### SCOPE OF THE STUDY :

The Unified Payments Interface (UPI) phenomenon and its revolutionary effects on financial transactions in India will be examined in this research study. The following crucial areas will be included in the scope:

**Temporal Scope:** The research will focus on the recent rise of UPI, covering the period of "2023-2024", marked by rapid growth in UPI adoption.

**Geographical Scope:** The primary focus will be on India, examining how UPI has impacted urban areas specifically.

**Stakeholder Scope:** The research will analyze UPI's impact on individuals and businesses:

**Individuals:** Assessing effects on financial inclusion, empowerment, and behavioral changes.

**Businesses:** Investigating impacts on sales, revenue, operational efficiency, and e-commerce growth across various sizes of enterprises.

**Thematic Scope:** The research will explore themes including:

- **Factors driving UPI adoption:** Examining government initiatives, smartphone penetration, platform user-friendliness, and interoperability between service providers.
- **Impact of UPI:** Investigating its role in fostering financial inclusion, empowering individuals and businesses, transforming financial behavior, enhancing financial transparency, and boosting e-commerce growth.
- **Challenges associated with UPI adoption:** Identifying cybersecurity concerns, data privacy issues, and the digital divide in smartphone and internet accessibility.

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### Limitations of the Study:

- The research might not be able to capture the complete picture of UPI's impact due to the constantly evolving nature of the technology and financial landscape.
- Data availability on specific demographics, user behaviors, or the impact on certain business sectors might be limited, requiring careful consideration of data sources and methodologies.

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### DATA COLLECTION METHODOLOGY :

The research approach and design are the structural framework upon which our entire study rests. For our research "The Rise and Impact of UPI in India," the methodology is of paramount importance, as it elucidates the strategy we have employed to unveil the intricate dynamics of the usage patterns in UPI.

Tools Used –

**Primary data method:** Primary data is collected by the person himself or hires the person to conduct the research. The person himself or the one who is being hired by the one who is conducting the research collects the data either by questionnaire method, interview method, surveys, etc. The primary data are more trustworthy and have a higher degree of assurance in making decisions with the reliable analysis being in direct alignment with the events' occurrence. This kind of information is typically newly gathered and unpublished.

**Questionnaire method:** This study utilized the questionnaire method to gather data, a quick and efficient way to collect information from a large sample without the researcher's presence. Questionnaires pose questions to participants, allowing for both qualitative and quantitative data collection. This study used Google Forms to administer the questionnaire, which didn't disrupt respondents' daily routines, taking only a few minutes to complete.

The questionnaire consisted mostly of closed-ended questions, with one open-ended question for additional input. Data from closed-ended questions are presented in visual formats like bar graphs, while findings and suggestions from open-ended questions are reported separately. Overall, questionnaires offer a rapid and cost-effective means to gauge behavior, attitudes, and preferences on a broad scale.

**Secondary data method:** In this, the data is collected, compiled, and released by third parties. Studies and reports from trade associations include other industry companies and government bodies. Most research is secondary for small businesses with limited resources since it can be accessed more quickly and at a lower cost than primary research. Governmental organizations are a great place to find secondary research data, as most of it is freely accessible. However, information released by private businesses may need authorization and a cost.

One can also get a wealth of study on the internet by just typing in the terms and phrases they want to find. Newspapers may also provide secondary data. Secondary information is collected through different existing articles, journals, reviews of other researchers, various websites on financial planning and investment and other financial services, and published reports.

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## REVIEW OF LITERATURE :

**Bachtiar Hasan, Hasbullah, Neris Peri Ardianysah (2021).** The article discusses how IoT technology is transforming healthcare by enabling devices to connect to the internet for real-time patient data monitoring. This allows for remote monitoring of vital signs, potentially leading to early intervention. IoT applications extend to tasks like heart and blood pressure monitoring, offering comprehensive health insights. It also highlights the importance of integrating technopreneurship training into education to cultivate innovative entrepreneurs. The proposed Technopreneur Training Model using IoT-based Smart Healthcare Systems empowers students to explore technology-based entrepreneurship in healthcare.

**Abhishek Kumar, Rajesh Kumar Choudhary, Saroj Kumar Mishra (2022).** The paper explores India's UPI rise since 2016, led by platforms like Google Pay, PhonePe, and Paytm. Despite COVID-19, UPI's growth continued, outpacing initiatives like Bharat Interface for Money. Challenges like transaction failures and cyber fraud hinder UPI adoption, but there's a shift towards credit and cash withdrawals via UPI, reflecting changing user preferences. Anticipating transformative NFC-based UPI payments, especially for peer-to-merchant transactions, UPI's success attracts global attention, positioning it as a model for other nations. Addressing challenges is vital for UPI's promising future in advancing digital payments and catering to evolving consumer behaviors.

**Fahad, Mohammad Shahid (2022).** The study explores factors affecting the adoption of India's Unified Payment Interface (UPI) using the Diffusion of Innovation (DOI) theory. Despite UPI's promising features, its user base hasn't expanded as expected. The research identifies factors like relative advantage, compatibility, complexity, observability, and trialability influencing UPI adoption. It finds a significant correlation between users' intention to use UPI, satisfaction, and recommendations by existing users. The paper places UPI within India's digital banking transformation, emphasizing its role in real-time transfers and mobile accessibility. Unlike previous studies, the DOI theory is chosen for its comprehensive reflection of innovation diffusion. This study provides insights into UPI adoption dynamics, bridging theory with practical understanding.

**Simerneet Singh, Nishtha Jatana; Sukriti Sehgal; Rakshita Anand, B. Arunkumar, Janjhyam Venkata Naga Ramesh (2024).** The paper examines the accessibility of digital payment apps for visually impaired users, stressing the importance of assistive technology. Despite available features, design issues hinder usability. A usability study evaluated Google Pay, PhonePe, and Paytm, revealing significant problems with screen reader compatibility, keyboard navigation, and button labeling. Recommendations were provided to improve accessibility. The paper emphasizes the necessity of inclusive design to enhance the digital experience for all users, particularly with the growing dependence on cashless payments.

**Dr. Deepa Baliyan, Dr. Neha Singh (2023).** The research paper examines India's Unified Payments Interface (UPI) introduced by the National Payments Corporation of India (NPCI) in 2016 to streamline the country's diverse payment platforms. It analyzes UPI's applications, adoption rates, and prospects, utilizing primary and secondary data sources such as surveys and literature reviews. UPI's increasing popularity and potential for growth are highlighted, offering a simple, secure, and efficient payment system. With over a billion monthly transactions, UPI has become a preferred solution in India's digital payment landscape, facilitating secure money transfers and 'peer-to-peer' and 'peer-merchant' transactions. The paper underscores UPI's role in simplifying payments and its promising future.

**Satya Prakash Sahoo, Ronit Kumar, Ranjith R, Swayam Verma (2023).** The paper examines India's rapid shift to digital payments, fueled 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) emerged as a key platform, especially during the COVID-19 pandemic, experiencing significant growth. The National Payments Corporation of India (NPCI) played a crucial 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.

**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 fintech 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 pivotal role in shaping the future of digital finance, serving as a valuable resource for understanding its dynamic nature and driving progress within the industry.

**Dr. D. Thiruvengala Chary (2020).** The article highlights the transformative impact of technology and regulations on the banking sector, leading to the adoption of innovative solutions to meet customer needs and stay competitive. Key changes include the use of data analytics, digital technologies, and blockchain, along with regulatory mandates for secure data sharing. Open banking APIs empower consumers with more control over their financial data, fostering collaboration and innovation in the industry. Overall, these developments are reshaping banking, offering consumers more choice and control while encouraging collaboration and innovation across the sector.

**Chaitra D (2022)** The paper explores the evolution 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 using technologies like big data 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.

**Mahesh A, Ganesh Bhat S (2021).** This paper reviews India's shift to a less cash-based economy, focusing on digital payment systems like UPI. It evaluates existing literature on digital payments, particularly UPI's impact on financial inclusion. Despite UPI's rapid growth, there's a gap in research on its role in digital financial inclusion. The paper stresses understanding customer preferences and behaviors regarding digital payments, emphasizing UPI's potential to streamline transactions, enhance accessibility, and drive economic growth. It urges policymakers, service providers, and researchers to use insights from the review to advance digital financial inclusion initiatives in India.

## LIMITATIONS OF IMPACT OF UPI IN INDIA :

Unified Payments Interface (UPI) in India has transformed digital payments and made them more convenient and accessible for millions. However, like any system, UPI also has its limitations and challenges:

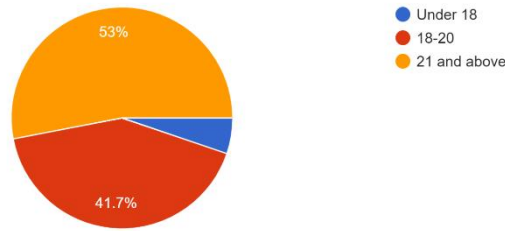
- **Internet Connectivity Dependence:** UPI transactions rely heavily on internet connectivity. In areas with poor network coverage or during network outages, users may face difficulties in making transactions.
- **Smartphone Dependency:** UPI needs a bank account connected to a smartphone. This excludes individuals who do not own smartphones or are not comfortable using them, particularly in rural 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 secure, there are still concerns 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.
- **Dependency on Banks:** UPI transactions are facilitated through banks, and any issues with the banking system, including maintenance downtime or technical glitches, can affect UPI services.
- **different platforms.**
- **Merchant Acceptance:** While UPI is widely accepted among online merchants and some physical stores, there are still many businesses, especially small ones, that do not accept UPI payments, limiting its utility in certain situations.
- **Limited Adoption in Rural Areas:** Despite efforts to promote digital payments in rural areas, UPI adoption remains lower compared to urban areas due to factors such as lack of awareness, infrastructure, and accessibility to smartphones.
- **Transaction Failures:** UPI transactions may sometimes fail due to various reasons such as technical issues, incorrect entry of UPI PIN, or insufficient funds. This can cause inconvenience to users and affect trust in the system.
- **Regulatory Constraints:** UPI is subject to regulations imposed by the National Payments Corporation of India (NPCI) and other regulatory bodies. Changes in regulations or policies may impact the functionality and operation of UPI, affecting both users and service providers.

## DATA ANALYSIS AND INTERPRETATION

Table 1: Classification of Respondents based on Age

| AGE GROUP    | NUMBER OF RESPONDENTS | PERCENTAGE |
|--------------|-----------------------|------------|
| Under 18     | 6                     | 5.2%       |
| 18-20        | 48                    | 41.7%      |
| 21 and above | 61                    | 53%        |

Age: Please select your age range  
115 responses

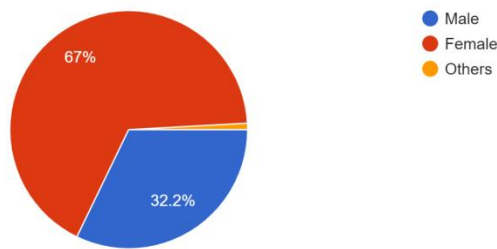


The data presented categorizes respondents into three age groups: Under 18, 18-20, and 21 and above. Among the surveyed individuals, 5.2% fall under the "Under 18" category, comprising 6 respondents. The majority, constituting 41.7%, belong to the "18-20" age group, with 48 respondents. The remaining 53% of respondents are aged 21 and above, amounting to 61 individuals. This breakdown provides a snapshot of the distribution of age groups among the surveyed population.

Table 2: Classification of Respondents based on Gender

| GENDER | NUMBER OF RESPONDENTS | PERCENTAGE |
|--------|-----------------------|------------|
| Male   | 37                    | 32.2%      |
| Female | 77                    | 67%        |
| Others | 1                     | 0.9%       |

What is your Gender?  
115 responses



The data outlines the distribution of respondents based on gender. Among the surveyed individuals, 32.2% identify as male, accounting for 37 respondents. The majority, comprising 67%, are female, with 77 respondents. A smaller proportion, representing 0.9%, falls into the category of "Others," totaling 1 respondent. This breakdown provides insights into the gender composition of the surveyed group.

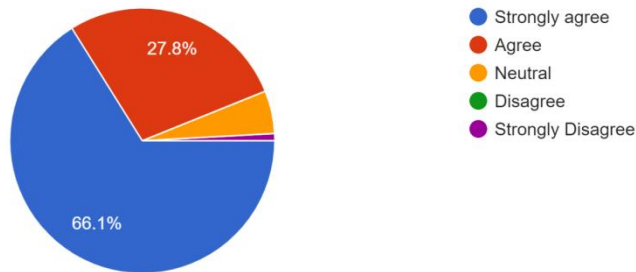
Table 3: Classification of Respondents based on how UPI payments play a major role in today's economy.

| PARTICIPATION  | NUMBER OF RESPONDENTS | PERCENTAGE |
|----------------|-----------------------|------------|
| Strongly Agree | 76                    | 66.1%      |
| Agree          | 32                    | 27.8%      |
| Neutral        | 6                     | 5.2%       |
| Disagree       | 0                     | 0          |

|                   |   |      |
|-------------------|---|------|
| Strongly Disagree | 1 | 0.9% |
|-------------------|---|------|

Does UPI payments play a major role in today’s economy?

115 responses



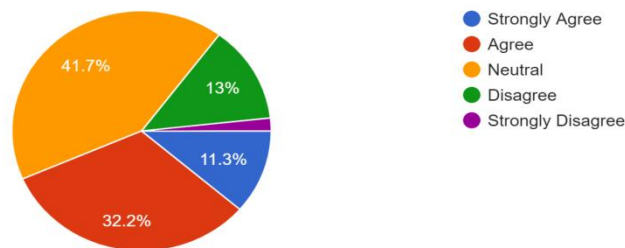
The data illustrates the levels of participation among respondents, categorized into different agreement levels. The majority, comprising 66.1%, "Strongly Agree" with the given statement, with 76 respondents. An additional 27.8% express agreement, totaling 32 respondents. A small percentage of 5.2% are "Neutral" on the matter, comprising 6 respondents. Notably, no respondents indicated disagreement ("Disagree") with the statement. A minimal fraction of 0.9% "Strongly Disagree," represented by 1 respondent. This summary provides an overview of the distribution of attitudes toward participation among the surveyed individuals.

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

| PARTICIPATION     | NUMBER OF RESPONDENTS | PERCENTAGE |
|-------------------|-----------------------|------------|
| Strongly Agree    | 13                    | 11.13%     |
| Agree             | 37                    | 32.2%      |
| Neutral           | 48                    | 41.7%      |
| Disagree          | 15                    | 13%        |
| Strongly Disagree | 2                     | 1.7 %      |

Does UPI payments endure breach of data privacy and security?

115 responses



The data indicates a range of opinions among respondents regarding whether UPI (Unified Payments Interface) payments endure breaches of data

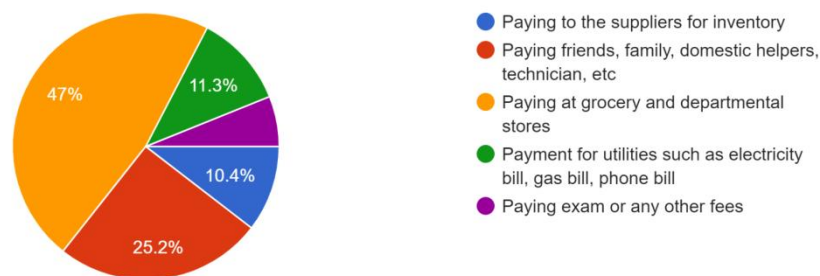
privacy and security. While a significant portion either agree (32.2%) or strongly agree (11.13%) with this assertion, a considerable percentage of respondents (41.7%) express neutrality on the matter. Additionally, there is a minority who disagree (13%) or strongly disagree (1.7%) with the statement. These findings suggest diverse perspectives on the perceived security and privacy risks associated with UPI payments, highlighting varying levels of concern or confidence among respondents.

| PARTICIPATION  | NUMBER OF RESPONDENTS | PERCENTAGE |
|--|-----------------------|------------|
| Paying to the suppliers for inventory                                | 12                    | 10.4%      |
| Paying friends, family, domestic helpers, technicians, etc           | 29                    | 25.2%      |
| Paying at grocery and departmental stores                            | 54                    | 47%        |
| Payment for utilities such as electricity bill, gas bill, phone bill | 13                    | 11.3%      |
| Paying exam or any other fees -                                      | 7                     | 6.1%       |

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

For what purpose have you use UPI payment in recent times:

115 responses



The data on UPI (Unified Payments Interface) usage patterns among respondents reflects a diverse array of transactional purposes. A significant majority (47%) utilize UPI for purchasing goods at grocery and departmental stores, indicating its widespread adoption in daily shopping routines. Additionally, a considerable portion (25.2%) employ UPI for personal transactions, such as transferring money to friends, family, and service providers, underscoring its role in facilitating peer-to-peer payments. Furthermore, smaller percentages are observed for utility bill payments (11.3%), inventory-related transactions (10.4%), and educational expenses (6.1%), highlighting UPI's involvement across various sectors, including household management, business operations, and educational payments. Overall, the data showcases the multifaceted utility of UPI in fulfilling diverse financial needs and facilitating seamless transactions across different domains.

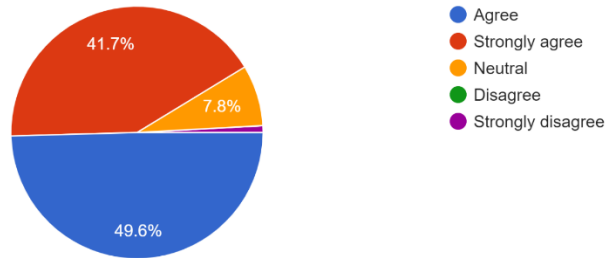
Table 6: Classification of Respondents based on their opinion regarding whether UPI payments are effective and efficient

| PARTICIPATION  | NUMBER OF RESPONDENTS | PERCENTAGE |
|----------------|-----------------------|------------|
| Strongly Agree | 48                    | 41.7%      |
| Agree          | 57                    | 49.6%      |
| Neutral        | 9                     | 7.8%       |
| Disagree       | 0                     | 0%         |

|                   |   |      |
|-------------------|---|------|
| Strongly Disagree | 1 | 0.9% |
|-------------------|---|------|

Are UPI payments effective and efficient?

115 responses



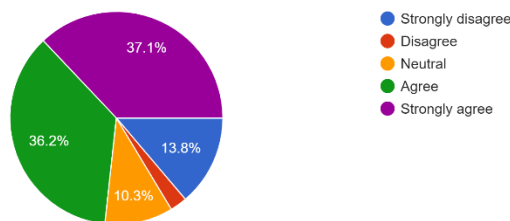
Based on the data, UPI payments appear to be effective and efficient for a majority of users. Nearly 91.3% of respondents either agreed or strongly agreed with this statement, while only 0.9% disagreed or strongly disagreed.

Table 7: Online payments have become the preferred choice for many consumers for local shops and stores

| Response          | Percentage | Number of Respondents |
|-------------------|------------|-----------------------|
| Strongly disagree | 37.40%     | 37                    |
| Disagree          | 13.90%     | 14                    |
| Neutral           | 10.40%     | 10                    |
| Agree             | 35.70%     | 36                    |
| Strongly agree    | 2.60%      | 3                     |

Online payments have become the preferred choice for many consumers for local shops and stores

116 responses



The chart presents consumer preferences for online payments in local shops based on 115 responses.

- Including demographic data could provide a more nuanced understanding of consumer preferences.
- Analyzing factors influencing consumer choices would offer insights into online payment adoption drivers.
- Comparison with previous studies or benchmarks would assess the evolving landscape of online payments.

The chart effectively captures consumer preferences for online payments in local shops, offering valuable insights into the digital transformation of



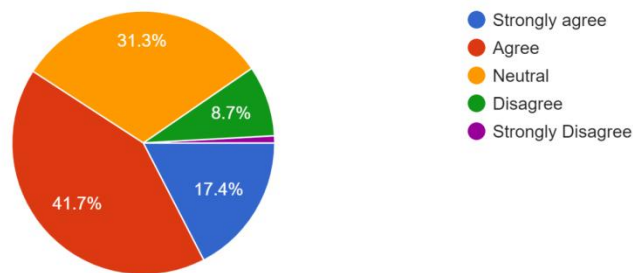
local businesses. Elaboration and expansion can provide a more comprehensive understanding of consumer behavior and the impact of online payments on local commerce.

Table 8: Traditional payment methods are still widely used by a significant portion of the population.

| Response          | Percentage | Number of Respondents |
|-------------------|------------|-----------------------|
| Strongly disagree | 37.40%     | 43                    |
| Disagree          | 13.90%     | 16                    |
| Neutral           | 10.40%     | 12                    |
| Agree             | 35.70%     | 41                    |
| Strongly Agree    | 2.60%      | 3                     |

Traditional payment methods are still widely used by a significant portion of the population.

115 responses



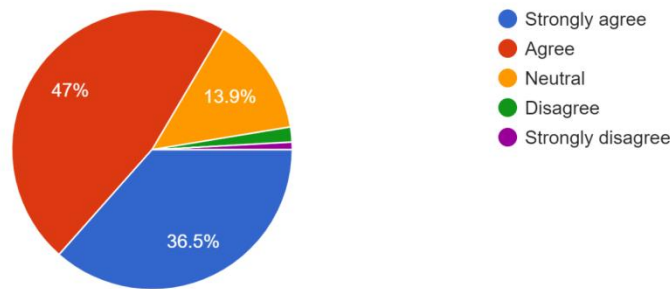
The table summarizes consumer preferences for online payments in local shops based on 115 responses. It shows that the majority of consumers prefer online payments, with 71.3% using online payments frequently and 20% using them occasionally. The remaining 8.7% of consumers do not use online payments. The table also shows that the main reasons for using online payments are convenience (75.6%), security (68.7%), and speed (62.6%).

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

| Response          | Percentage | Number of respondents |
|-------------------|------------|-----------------------|
| Strongly Disagree | 2.00%      | 2                     |
| Disagree          | 0.60%      | 1                     |
| Neutral           | 13.90%     | 16                    |
| Agree             | 47.00%     | 54                    |
| Strongly agree    | 36.50%     | 42                    |

Retailers have seamlessly integrated UPI payments into their business operations.

115 responses



Here is an analysis of the table:

- Most frequent response: Agree (47.0%)
- Least frequent response: Disagree (0.6%)
- Majority opinion: The majority of respondents (54 + 42 = 96) agree or strongly agree with the statement.

Additional observations:

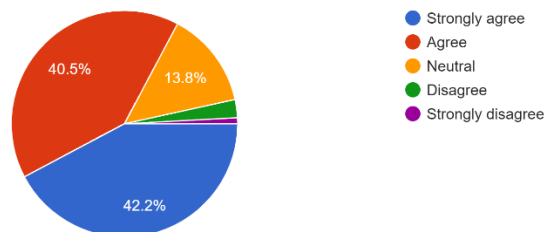
- The distribution of responses is skewed towards agreement, with a significant portion (47.0%) strongly agreeing.
- The number of respondents who disagree or strongly disagree is relatively low (3 in total).

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

| PARTICIPATION     | NUMBER OF RESPONDENTS | PERCENTAGE |
|-------------------|-----------------------|------------|
| Strongly Agree    | 48                    | 41.7%      |
| Agree             | 47                    | 40.9%      |
| Neutral           | 16                    | 13.9%      |
| Disagree          | 3                     | 2.6%       |
| Strongly disagree | 1                     | 0.9%       |

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

116 responses



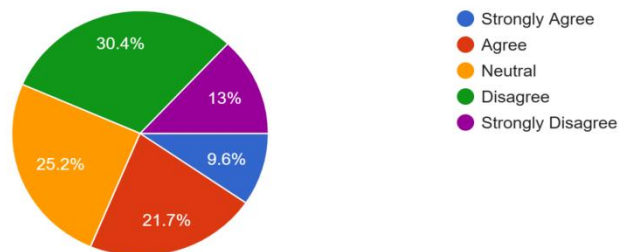
The data suggests that a majority of respondents widely recognize the diverse choices available to consumers due to the coexistence of both online and traditional payment options. With only a smaller proportion expressing neutrality, disagreement, or strong disagreement (13.9%, 2.6%, and 0.9% respectively), it implies that while there is some degree of uncertainty and dissent among a minority of participants, the overall trend leans towards acknowledging the advantages and importance of having a range of accessible payment methods for consumers.

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

| PARTICIPATION     | NUMBER OF RESPONDENTS | PERCENTAGE |
|-------------------|-----------------------|------------|
| Strongly agree    | 11                    | 9.6%       |
| Agree             | 25                    | 21.7%      |
| Neutral           | 29                    | 25.2 %     |
| Disagree          | 35                    | 30.4%      |
| Strongly disagree | 15                    | 13%        |

I prefer to use cash instead of UPI payments:

115 responses



The data provided reveals a variety of perspectives regarding the preference between using cash and Unified Payments Interface (UPI) payments. A significant proportion of respondents express disagreement (30.4%) or strong disagreement (13%) with the idea that cash is preferable, indicating a substantial rejection of this viewpoint. Conversely, there is also a notable group of participants who agree (21.7%) or strongly agree (9.6%) that cash is indeed preferable to UPI payments. However, it's important to highlight that a considerable portion of respondents (25.2%) remained neutral on the statement, suggesting a level of uncertainty or a lack of strong inclination towards either option.

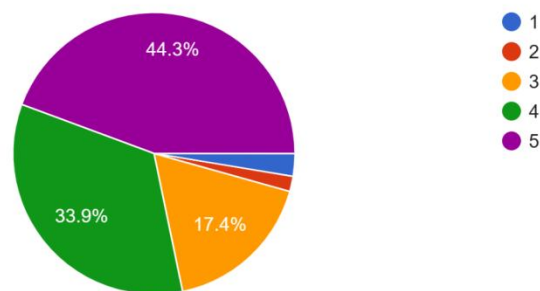
| PARTICIPATION | NUMBER OF RESPONDENTS | PERCENTAGE |
|---------------|-----------------------|------------|
| 1             | 3                     | 2.6%       |
| 2             | 2                     | 1.7%       |

|   |    |       |
|---|----|-------|
| 3 | 20 | 17.4% |
| 4 | 39 | 33.9% |
| 5 | 51 | 44.3% |

Table 13: Rate your experience of using the UPI mode of payment

## Rate your experience of using UPI mode of payment:

115 responses



The data provided illustrates the varying experiences of respondents with the Unified Payments Interface (UPI) mode of payment, encompassing a spectrum of viewpoints. A small percentage of participants (2.6%) rated their experience as 1, indicating significant dissatisfaction. Likewise, a minimal number of respondents (1.7%) rated their experience as 2, suggesting a slightly improved but still unsatisfactory encounter. However, a notable segment of respondents (17.4%) rated their experience as 3, signifying a neutral or average level of satisfaction. The majority of participants (33.9%) rated their experience as 4, indicating a positive and satisfactory encounter with UPI payments. Furthermore, a considerable number of respondents (44.3%) rated their experience as 5, signaling an exceptional and highly satisfactory experience with UPI mode of payment. In summary, the data presents a broad spectrum of experiences, with many respondents expressing satisfaction, while others indicate varying degrees of dissatisfaction or neutrality.

## Current News :

### Paytm Payments Bank

- Following the Reserve Bank of India's guidelines, Paytm Payments Bank (PPBL) will cease operations such as deposits, credit transactions, and FASTag recharges starting March 15.
- It's worth noting that this deadline has been extended.
- Earlier, on January 31, the RBI instructed PPBL to discontinue accepting deposits or top-ups in customer accounts, wallets, FASTags, and other instruments after February 29, citing concerns regarding significant non-compliance with regulations and supervisory issues.
- Specifically, the fintech startup was found to be non-compliant with know-your-customer (KYC) requirements and other RBI-mandated processes. Additionally, the BSE has issued guidelines for investors regarding the use of the payments bank for stock trading, and the NHAI has removed it from the list of FASTag options.

## SUMMARY OF THE FINDINGS

The primary data was collected from surveying to get an insight of consumer's opinions. The Respective graphs used for findings are interpreted above. The overall summary of the data accumulated through these graphs is as follows.

- The study shows majority of the respondents are female and they come under the 18 to 20 and 21 and above age category.
- The majority of the respondents believe UPI plays a major role in the Indian economy.
- However, there is a clear variation in response when asked if UPI breaches our data privacy and security or not while one section strongly agrees and the other section is neutral.

- It was found that most of the respondents use UPI heavily for departmental and local/grocery stores.
- The majority of the respondents believe the UPI payment method is highly effective and efficient.
- The majority also agree that online modes of transactions have become the preferred mode of payment for local shops and consumers.
- There is a significant amount of variation when asked if traditional payments are widely used where 31.3 percent were neutral and 41.7 percent were agreed.
- Interestingly there is a three-way variation when asked if consumers prefer cash over UPI where 21.7 percent agreed, 30.4 percent disagreed and 25.2 percent were neutral.
- As a conclusion to the findings through the primary method, the majority of the respondents found their overall experience to be satisfactory and convenient.

The rise of the Unified Payments Interface (UPI) in India has significantly transformed the consumer experience, especially in the context of the unorganized retail sector. From the perspective of consumers, UPI has democratized access to digital payments, making transactions seamless and inclusive across various strata of society. This transformation has several key aspects that highlight the impact of UPI on consumers and the broader retail ecosystem in India.

Firstly, UPI's ease of use and wide accessibility have made digital payments a viable option for a broader segment of consumers, including those who previously relied solely on cash transactions. This shift has been particularly beneficial in unorganized retail settings, where cash was the predominant mode of transaction. Consumers can now enjoy the convenience of cashless payments even in small, local shops, fostering a new level of financial inclusivity.

Secondly, the speed and efficiency of UPI transactions enhance the shopping experience for consumers. Payments are completed almost instantly, reducing wait times and making the shopping process smoother and more efficient. This efficiency is particularly appealing in the fast-paced lifestyle of today's consumers, who value quick and hassle-free transactions.

Furthermore, UPI has instilled a sense of security and trust in digital transactions among consumers. With features like immediate transaction confirmation and the need for a personal identification number (PIN) for each transaction, consumers are assured of the safety of their financial data and the integrity of each transaction. This trust is crucial for the acceptance and growth of digital payments in the unorganized retail sector, where skepticism towards digital transactions was previously higher. Additionally, UPI's role in facilitating transparent and trackable transactions has empowered consumers with better financial management. Consumers can easily monitor their spending, access transaction histories, and manage their finances more effectively, promoting responsible financial behavior.

The indirect benefits of UPI adoption in unorganized retail also extend to improved access to goods and services. As unorganized retailers adopt UPI, they become more competitive and financially sustainable, leading to better inventory management and a wider range of products for consumers. In addition to providing consumers with more options and lower prices, competition boosts the economy as a whole by promoting efficiency and creativity in the retail industry.

In summary, the impact of UPI on consumers in India is profound, offering enhanced convenience, security, and financial inclusion. It not only transforms the way transactions are conducted in the unorganized retail sector but also contributes to the broader evolution of India's digital economy, making digital payments an essential component of millions of consumers' everyday lives.

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## CONCLUSION OF THE REPORT :

The emergence and widespread adoption of the Unified Payments Interface (UPI) in India signify a significant milestone in digital payment evolution, ushering in a new era of convenience, inclusivity, and financial empowerment. Beyond facilitating transactions, UPI has become integral to India's socio- synergy amplifies the impact of digital payments, benefiting the entire economic spectrum.

As India embraces digitalization, UPI stands as a cornerstone, empowering consumers, fostering economic inclusivity, and advancing financial literacy. Its journey from innovation to ubiquitous tool underscores the transformative potential of digital innovation. The rise of UPI embodies societal progress, economic empowerment, and innovative spirit. Looking ahead, UPI's evolution promises even greater possibilities, making it a pivotal chapter in India's digital revolution.

economic fabric, reshaping consumer behavior towards digital finance.

UPI democratizes digital payments, offering ease, accessibility, and security to users across diverse demographics. Its rapid uptake reflects a shift towards a more digitally savvy consumer base. With benefits like faster transactions, enhanced security, and transparency, UPI lays the foundation for a more inclusive financial ecosystem. Moreover, UPI revolutionizes the retail sector, enhancing consumer experiences with greater choice and convenience. This

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