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A Study on the Impact of Unified Payment Interface among Students

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ABSTRACT

The advent of digital payments has changed the way people make transactions, and the Unified Payment Interface (UPI) has become a behemoth in India's cashless economy. This research explores how UPI adoption among students has affected their financial behaviour, money management, and ease. The study investigates important determinants such as convenience, security issues, money knowledge, and reliance on digital transactions. A survey methodology was used to collect information from students from different institutions, reflecting trends in their preferences and issues encountered while using UPI. The results indicate that UPI has improved transaction efficiency considerably, minimized the use of cash, and enhanced the financial management of students. Nevertheless, issues concerning cybersecurity and overspending also arise as important considerations.

The use of electronic payment systems has revolutionized transactions, with Unified Payment Interface (UPI) taking the centre stage as a transformative tool in promoting smooth, instantaneous, and cashless transactions. This research evaluates the effect of UPI utilization among students with emphasis on the impact on money behaviour, consumer spending, security issues, and convenience in general. With deepening smartphone and internet penetration, UPI has seamlessly integrated itself in the everyday banking transactions of the students such as peer-to-peer payments, payment of bills and online purchases.

Based on a survey approach, information was gathered from students of different educational institutions to examine their usage frequency of UPI, preferred medium, perceived benefits, and encountered issues. The results indicate that UPI has greatly improved the efficiency of transactions, minimized the use of cash, and facilitated financial independence among students. Additionally, capabilities like QR code payments, quick money transfer, and integration of various banking facilities have eased the financial process. Nevertheless, the research also   reveals key concerns such as cyber security threats, risks of fraud, overspending behaviour, and privacy of data. Most students lack awareness about best practices on security, thereby leaving them at risk of phishing scams and unapproved transactions.

1. Introduction

Unified Payment Interface (UPI) is a platform that drives several bank accounts into one mobile app (of any member bank) integrating several banking aspects, frictionless fund routing and merchant payments into one hood. It also supports the "Peer to Peer" collect request which can be scheduled and paid according to requirement and convenience. Pilot launch was on 11th April 2016 by Dr Raghu ram G Rajan, governor, RBI at Mumbai. Banks have begun to upload their UPI enabled Apps on Google Play store from 25th August.

The research on the effect of UPI (Unified Payments Interface) among students offers valuable information on how this online payment system is affecting economic behaviours, Adoption of technology and overall economic engagement among students. With The widespread proliferation of digital payments technology and mounting dependence on mobile Devices for transaction purposes, how UPI is being used among students has attracted attention from researchers, policymakers as well as financial institutions. Students are an important segment of customers that is sensitive to technological Improvements and would tend to adopt new payment technology first. Understanding the Effect of UPI among students offers insights into drivers of adoption, usage Patterns, and the likely transformative impacts of digital payments on financial behaviour and Decision-making processes

2. Review of Literature

Sunny Gupta and Dinesh Chand (2021) prepared a study titled "Consumers Perception towards Unified Payments Interface," where they discussed usage behaviour and attitude towards UPI. From their study, it was concluded that most people utilize UPI to transfer funds, recharge their phones, or claim cashback. Surprisingly, women participants were less eager to adopt emerging technologies, and cashback on its own did not appear as an effective stimulus to use UPI on a daily basis. The research concluded that mobile phones are the most used platforms for sending and receiving payments, with respondents having a predominantly positive attitude towards UPI transactions.

Venkata Siva Kumar.S and Ch. Kavya (2020) carried out an empirical study called "Role of Unified Payment Interface in Digital Banking Services – An Empirical Study on User Perceptions." In their study, they examined the awareness and perceptions of different age groups and professionals towards UPI usage. They found that users had varied views on UPI banking services. Users from different professions especially believed that UPI services were more beneficial compared to conventional banking processes.

Balasubramanian M and Amanullah K.M. (2019) conducted a study of 'Mobile Banking and its Evolution in the UPI Era,' with emphasis on the growth of UPI-based transactions in India, its effects on paperless transactions, and the issues related to UPI apps. They pointed out that UPI although a comparatively new technology in India, was expanding fast. Google Pay, PhonePe and Paytm were found to be the dominant players in online payments, compared to the government-sponsored BHIM app. The report highlighted that UPI was well-suited for small money transfers, whereas other online payment systems were more suited for large transactions.

Arvind Chaudhary and Deepak Chaudhary (2019) researched consumer satisfaction with UPI, focusing on Hyderabad and the suburbs. They investigated customer attitudes towards UPI versus conventional services and analysed how UPI affected customer satisfaction. The results indicated that respondents had a favourable attitude towards UPI services, and there was a significant relationship between respondents' education level and the use of UPI services.

PoornaPushkal C and Pappeswari C (2021) examined awareness and customer satisfaction for UPI digital payments, specifically in the Ambasamudram region. They investigated the drivers behind the choice of digital payment mode and whether or not UPI was adopted in money transfer. Their aim was to determine how well the consumers were informed about UPI and the level of satisfaction with the service.

Dr. Stitch Shweta Rathore (2016) studied the consumer adoption of cashless payments. According to her research, digital wallets are rapidly emerging as the preferred mode of online payments because they are convenient and easy to use. Consumers have adopted digital wallets at a record pace, spurred by the ease and convenience they provide.

K.C. Balaji (2016) examined the effect of demonetization on cashless transactions. According to his findings, the establishment of a cashless transaction system was moving to new levels. Individuals were increasingly moving towards cashless options, and Balaji highlighted that the cashless system had turned into not only a requirement, but a necessity for contemporary society.

Rouibah (2015) highlighted a number of challenges that have been impacting the use of electronic payments. They included insecurity, distrust and fear of transaction failure, high charges, and lack of familiarity with the technology. In addition, security features, internet banking services, privacy, and service quality were also discovered to impact e-banking and e-payment acceptance.

Khuram Shafiq and Khalil Ahmad (2015) investigated the function of money in consumer purchasing behaviour and concluded that consumers preferred cash payments because of the convenience of access to money, the lack of carrying costs, and the incentives of shopping. These were determined to be key drivers of cash use in consumer purchases.

Ravish Rana (2017) examined the adoption of electronic payments and its correlation with educational levels. The study concluded that people with education levels higher than matriculation and those who were familiar with internet-based surveys were more likely to use electronic payment methods and participate in digital financial operation.

3. Statement of the Problem

UPI would enhance trade and the overall Indian economy. UPI will minimize the use of cash in the economy currently standing at 12% of GDP. The cost of cash transfer annually will go down. UPI will facilitate Person to Business (P2B) transactions.

The research seeks to determine the effect of Unified Payments Interface (UPI) among students based on their spending habits, payment patterns, ease of use, perceptions of safety, and overall financial literacy.

Key Elements of the Problem Statement:

*Adoption and Usage Patterns: Analyze the level of adoption of UPI among students as well as how often and the amount of times they use the platform.

*Financial Habits: Investigate how the launch of UPI affects the financial habits of students in the form of saving, budgeting, and investment choices.

*Expenditure Habits: Study the changes in expenditure habits among students post-uptake of UPI in terms of preferred online payments, bill settlements, and peer-to-peer transactions.

*Perceptions of Convenience and Security: Measure students' perceptions towards the convenience and security provided by UPI in comparison to conventional modes of payment such as cash or debit/credit cards.

*Financial Literacy Impact: Identify the impact of UPI on financial literacy among students, such as their knowledge of digital transactions, financial planning, and risk management.

Objectives of the Study

- To study the impact of UPI and level of satisfaction of UPI.

- To check whether there is a shift in the behavior of customers to UPI instead of cash payment.

- To study the factors which attract consumers towards UPI.

- To understand the effectiveness of UPI in consumers mind

4. Limitations of the study

Sample Size Constraint – The study may be limited to a specific number of students, which might not be representative of the entire student population. A larger sample could provide more generalized results.

Geographical Limitation – If the data was collected from students in a particular institution, city, or region, the findings may not be applicable to students in other areas with different digital payment adoption rates.

Demographic Factors – The study may not have considered factors such as students' financial background, digital literacy, or access to smartphones and the internet, which could influence their use of UPI.

Limited Time Frame – The research might have been conducted over a short period, making it difficult to capture long-term trends and evolving payment behaviours among students.

5. Scope of the Study

The scope of research is to understand the various reasons which have an impact and attract the consumer towards the adoption of UPI in their routine life. It also examines the shift in consumers' mind towards cash payment and UPI.

Scope of the Study for the Impact of UPI among Students

*Demographic Target: The research will target students from different educational institutions, such as universities, colleges, and vocational schools, and not from a particular geographic area or from different geographic areas.

*Quantitative Analysis: The research will entail quantitative analysis of UPI transaction data to comprehend transaction volumes, frequency, and trends among students. This will give insights into the adoption and usage patterns of UPI.

*Qualitative Findings: In-depth interviews will be carried out with a sample of students to gain qualitative findings into their experiences with UPI, such as perceptions of convenience, security, and effects on financial behaviors.

*Analysis of Financial Behavior: The scope will cover an analysis of changes in the financial behaviors of students, including savings, expenditure, and investment choices, prior to and subsequent to the implementation of UPI.

*Spend Habits: The research will examine spend habits of students, including online spends, bill pays, and peer-to-peer transactions enabled by UPI.

6. Research Methodology

This research applies a quantitative study design to reveal the influence of Unified Payment Interface (UPI) among students. The main data for this research is gathered with questionnaires formulated to measure the usage habits, experience, and perception of the students about UPI. The questionnaire contains both closed and open-ended questions that can collect qualitative and quantitative information. The sample population consists of students from different colleges and universities to provide diversity in terms of geographic location, course of study, and demographic considerations.

The sources of data will be students who frequently utilize UPI for everyday transactions such as tuition fee payments, purchasing books, or food ordering. Participants will be chosen through convenience sampling to guarantee willingness and accessibility to participate in the research. The selection criteria will target students who have utilized UPI for a minimum of six months to guarantee they have an adequate level of experience for valid responses.

Ethical issues form a central theme in this study. Participants will be informed of the aim of the study, and their consent will be duly obtained prior to data collection. Confidentiality will be upheld strictly, with personal information anonymized in order to conceal participants' identities. The results will only be utilized for educational purposes, and participants will have the option to withdraw from the study at any time without penalty. This guarantees the research follows ethical guidelines in carrying out research and maintains the privacy of the participants.

7. Data Analysis and Interpretation

7.1 Table: Age

AGE	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
Below 18	3	2.7%	2.7%
18 - 22	72	63.7%	66.7%
23 – 25	16	14.2%	80.6%
26 and above	22	19.5%	100%
TOTAL	**113**	**100%**	

The information gives the age distribution of a sample of 113 people. Most of the respondents (63.7%) are aged between 18 and 22, and this is the most dominant age group. This shows that the sample consists mainly of young adults. A smaller percentage, 14.2%, are in the 23 to 25 category, and 19.5% are aged 26 and over, indicating that there remains a significant representation in this slightly older age group. Just 2.7% of the interviewees are under 18, which is a very small segment of the total sample. The percentages cumulatively are as follows: by the 18-22 group, we have 66.7% of the sample covered, and 80.6% by including the group 23-25, and the last group gives us the whole 100%. This sample indicates a population that is youth-oriented but has a huge representation from elderly age groups to give a well-rounded overview.

7.2 Table: Gender

GENDER	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
Male	61	54%	54%
Female	52	46%	100%
TOTAL	**113**	**100%**	

The statistics show the gender composition of a sample of 113. Of these, the largest percentage, 54%, are male, and females account for 46%. This shows the gender component is fairly even, slightly favoring males. The cumulative percentage column indicates that we have the complete sample by the time we hit the female category, as the cumulative percentage hits 100%. Generally, the gender split is quite balanced with a slight variation between males and females.

7.3 Table: Frequency Test on Education Level

EDUCATIONAL LEVEL	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
High school	4	3.5%	3.5%
Undergraduate	46	40.7%	44.2%
Postgraduate	50	44.2%	88.4%
Others	13	11.5%	100%
TOTAL	113	100%	

The data is the educational level of a sample of 113. Most of the respondents have an undergraduate or postgraduate level of education, of whom 40.7% are undergraduates and 44.2% have a postgraduate degree. These two groups constitute the largest proportion of the sample, with a total of 84.9%. A paltry 3.5% have only high school diplomas, suggesting that the majority of interviewees have had college or university education. Moreover, 11.5% are in the "Others" group, which may be indicative of all sorts of non-traditional educational paths. The running percentage column indicates that as we get to the postgraduate category, 88.4% of the interviewees are covered, and the last 11.5% fills the entire 100%. In general, the sample is well-educated, with a large percentage having attended higher education beyond the undergraduate level.

7.4 Table: Device Preference for UPI Transactions

DEVICES	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
Smartphone	107	94.7%	94.7%
Laptop/PC	NIL	NIL	NIL
Tablet	2	1.8%	96.5%

Others	4	3.5%	100%
TOTAL	**113**	**100%**	

The statistics indicate the devices used for UPI transactions by a sample of 113 people. The vast majority, 94.7%, use smartphones for their UPI transactions, pointing to the smartphone as the leading device for digital payments. A very small proportion, 1.8%, use tablets, while no one reported using laptops or PCs for UPI transactions. Also, 3.5% of the respondents use other devices for their transactions. The cumulative percentage column verifies that by the addition of the tablet category, almost 96.5% of the respondents are covered, and the "Others" category takes the full 100%. As a whole, smartphones are overwhelmingly the device of choice for UPI transactions, with very little use of other devices.

7.5 Table: Frequency of UPI Usage for Transactions

	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
DAILY	72	63.7%	63.7%
WEEKLY	30	26.5%	90.2%
MONTHLY	5	4.4%	94.6%
RARELY	4	3.5%	98.1
NEVER	2	1.8%	100%
TOTAL	**113**	**100%**	

The information shows how often people use UPI for transactions in a sample of 113 individuals. Most of the respondents, 63.7%, use UPI on a daily basis, which means that UPI transactions are a part of their routine. A considerable number, 26.5%, use UPI on a weekly basis, which indicates that UPI is a frequent option for transactions even for those who do not use it every day. Smaller segments use UPI monthly (4.4%) or seldom (3.5%), and 1.8% of respondents never use UPI for payment. The cumulative percentage column reveals that by the time we reach the weekly users, 90.2% of respondents are accounted for, with the remaining categories filling out the full 100%. In general, the data reveals that UPI is used quite frequently, with a very large majority of respondents using it on a regular basis.

7.6 Table: Primary Types of Transactions Using UPI

TYPES	FREQUENCY	PERCENTAGE	CUMMULATIVE PERCENT
Paying bills (electricity/internet, etc.)	67	59.3%	59.3%
Shopping(online/offline)	84	74.3%	133.6%
Sending money to friends/family	84	74.3%	207.9%
College fee payment	41	36.3%	244.2%
Payment for food/snacks	76	67.3%	311.5%
Others	12	10.6%	322.1%
TOTAL	113	322.1%	

The above table indicates the various types of payments made by the respondents, along with their frequencies, percentages, and cumulative percentages. The most frequent type of payment is for shopping (online and offline), with 84 respondents (74.3%) indicating that they do this. This is then followed by money sending to family or friends, with a frequency of 84 respondents (74.3%). The combined percentage for these two categories is 133.6%, showing that a large majority of respondents carry out both shopping and money sending.

Then, 67 respondents (59.3%) pay bills like electricity or internet, with the combined percentage for this category being 59.3%. This suggests that more than half of the respondents pay for their bills. College fee payments are reported by 41 respondents (36.3%), bringing the cumulative percentage to 244.2%, indicating overlap with previous categories. Payment for food or snacks is another common expense, with 76 respondents (67.3%) reporting it, which raises the cumulative percentage to 311.5%.
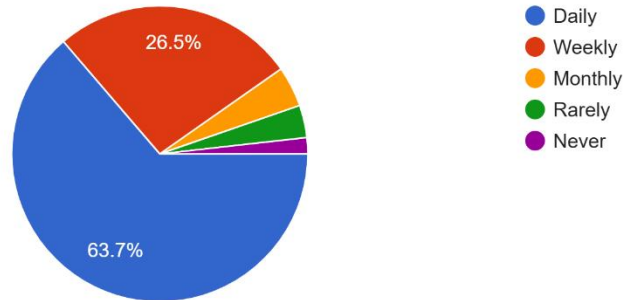
Lastly, 12 respondents (10.6%) indicate they make payments for other expenses, which brings the cumulative percentage to 322.1%. The fact that the cumulative percentage is above 100% across categories signifies a high overlap, as the respondents participate in more than one type of payment. Overall, although shopping and sending money to family has the highest frequency, the cumulative percentages reveal that respondents are involved in different payment activities.

8. Analysis of the Objectives

- **To check whether there is a shift in the behavior of customers to UPI instead of cash payment.**

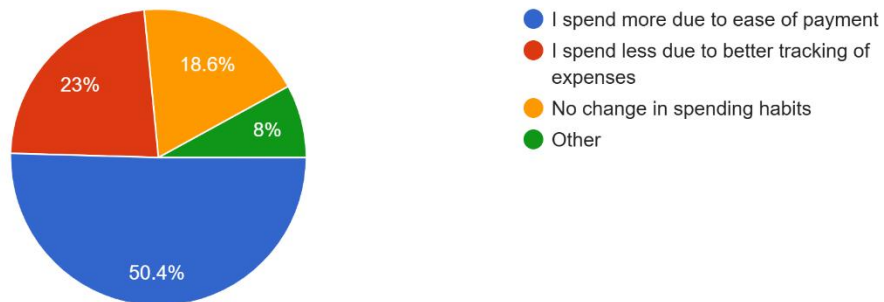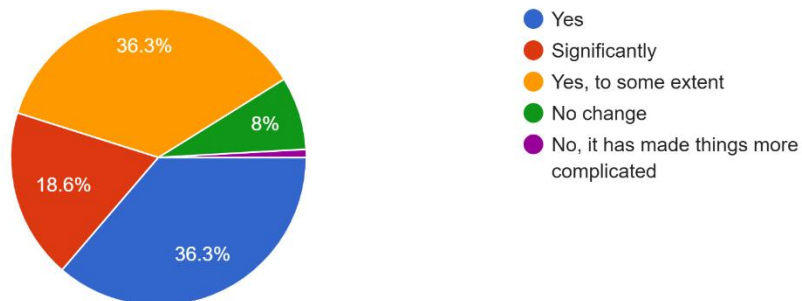How often do you use UPI for transactions?
113 responses

- Daily
- Weekly
- Monthly
- Rarely
- Never

26.5%

63.7%

-

How has UPI impacted your spending habits as a student?
113 responses

- I spend more due to ease of payment
- I spend less due to better tracking of expenses
- No change in spending habits
- Other

18.6%

23%

8%

50.4%

Do you think UPI has made it easier to manage your finances?
113 responses

- Yes
- Significantly
- Yes, to some extent
- No change
- No, it has made things more complicated

36.3%

8%

18.6%

36.3%

Has UPI helped you in managing your educational expenses?
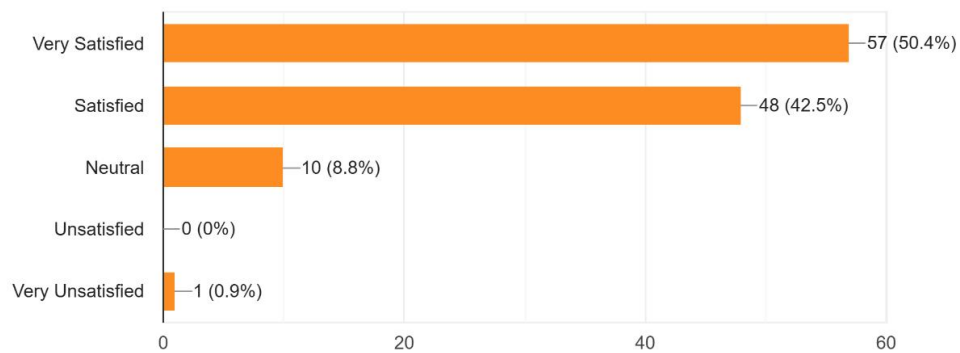113 responses

The survey results indicate a significant shift towards UPI payments, with 72 out of 113 respondents (63.7%) using UPI daily and only 2 respondents never using it. This highlights widespread adoption among users. Regarding spending habits, 57 respondents (50.4%) reported increased spending due to the ease of UPI payments, while 26 (23%) stated they spend less due to better expense tracking. This suggests that while UPI promotes convenience, it may also encourage higher spending.

Overall, the findings confirm a strong preference for UPI over cash, reflecting a digital payment shift among consumers.

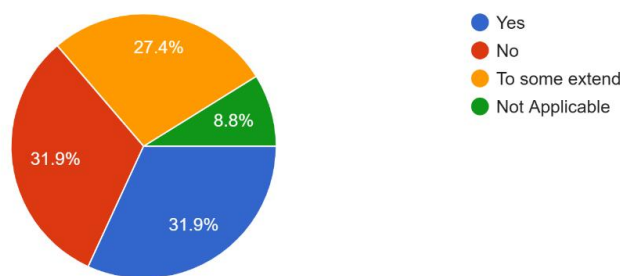- **To study the impact of UPI and level of satisfaction of UPI.**

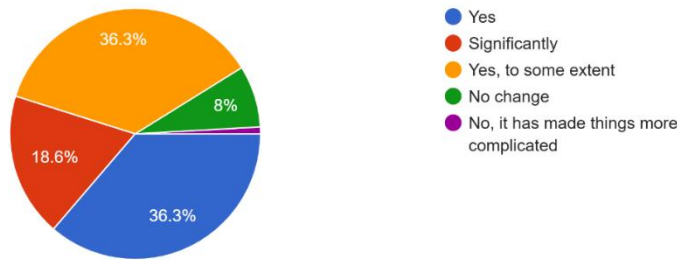How satisfied are you with the ease of using UPI?
113 responses

Has UPI helped you in managing your educational expenses?
113 responses

Do you think UPI has made it easier to manage your finances?
113 responses

- Yes
- Significantly
- Yes, to some extent
- No change
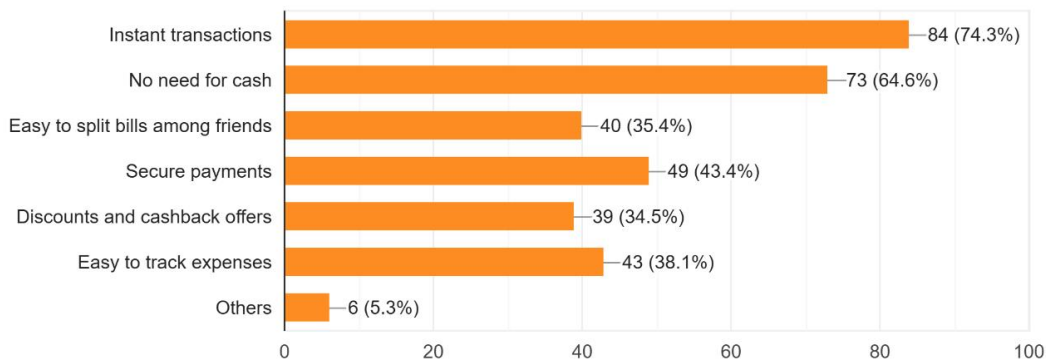- No, it has made things more complicated

The survey results indicate a high level of satisfaction with UPI, as 56 respondents (49.6%) are "Very Satisfied" and 46 (40.7%) are "Satisfied" showing that most users find UPI convenient and efficient. Regarding financial management, 41 respondents (36.3%) believe UPI has significantly helped them manage their finances, while 41 (36.3%) think it helps to some extent. This suggests that UPI plays a positive role in financial tracking and control. When asked about managing educational expenses, responses were mixed: 36 (31.9%) said UPI has helped, while 36 (31.9%) said it has not, and 31 (27.4%) felt it helps "to some extent". This indicates that while UPI is beneficial for daily transactions, its role in handling educational expenses varies among users.

Overall, UPI is widely accepted, positively impacts financial management, and is viewed favourably by most users.

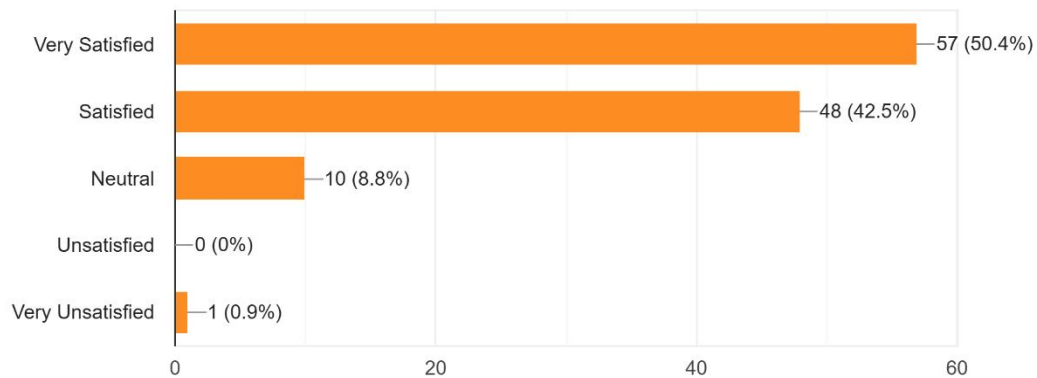- **To study the factors which attract consumers towards UPI.**

In your opinion, what are the primary benefits of using UPI for students?
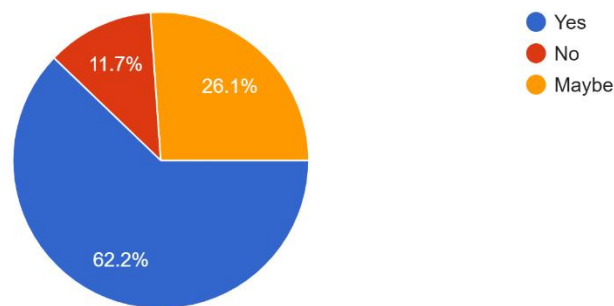113 responses

How satisfied are you with the ease of using UPI?
113 responses

Response	Value
Very Satisfied	57 (50.4%)
Satisfied	48 (42.5%)
Neutral	10 (8.8%)
Unsatisfied	0 (0%)
Very Unsatisfied	1 (0.9%)

Would you recommend UPI to other students for managing their finances?
111 responses

- Yes — 62.2%
- No — 11.7%
- Maybe — 26.1%

The study reveals that the key factors attracting consumers to UPI include instant transactions, the convenience of going cashless, and the ability to easily track expenses. Security is another major advantage, ensuring safe digital payments. Additionally, discounts and cashback offers provide financial incentives, making UPI even more appealing. Many users also appreciate the ease of splitting bills among friends, which simplifies group payments. The overall satisfaction with UPI is high, with 69 respondents (61.1%) willing to recommend it to other students. This indicates that UPI's speed, security, and financial benefits play a crucial role in its widespread adoption among consumers.

To understand the effectiveness of UPI in consumers mind.

- **Satisfaction Levels:** Majority of respondents are "Very Satisfied" or "Satisfied" with UPI.
- **Financial Management:** Many users believe UPI has significantly helped in managing their expenses.
- **Spending Behaviour:** Some respondents spend more due to ease of payment, while others spend less due to better tracking.
- **Recommendations:** A large number of users would recommend UPI to others.

The study highlights that UPI is perceived as an effective and convenient payment method among consumers. Most respondents are either "Very Satisfied" or "Satisfied" with its ease of use, indicating a positive user experience. Additionally, many users believe UPI has helped them manage their finances better by enabling easy tracking of expenses. While some respondents reported increased spending due to the convenience of payments, others found it beneficial in controlling their expenditures. The majority of users also acknowledge the security features of UPI and would recommend it to others. Overall, UPI is widely accepted as a fast, secure, and efficient digital payment solution.

9.Conclusions

The research on UPI adoption and its effect on consumers shows its increasing relevance as a preferred mode of digital payment. The results show that UPI is being used extensively because of the ease of transactions, safety, and the fact that it allows users to efficiently track their spending. Although some consumers felt they were spending more money due to the convenience of digital payments, others used UPI to their advantage to manage their finances more effectively. The high user satisfaction and high referral rates from customers further confirm its success. All in all, UPI has been able to change consumer payment habits providing a quick, safe, and efficient alternative to cash payments, simplifying financial management and making it more efficient.

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