



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

An analysis of UPI adoption and its growth across different generations Gen X, Gen Y, and Gen Z.

DHEERAJ H

KRISTU JAYANTI COLLEGE (AUTONOMOUS)
AFFILIATED TO BENGALURU NORTH UNIVERSITY
CONTACT NUMBER: +917899042423
EMAIL ID: dheeraj0984@gmail.com

ABSTRACT:

Since its inception, the Unified Payments Interface (UPI) has fundamentally changed how payments are made in India and transformed digital commerce. In terms of both user base and transaction volume, UPI, which was created by the National Payments Corporation of India (NPCI) in 2016, has become one of the most popular payment systems in the world. This study looks at UPI's growth in India and assesses if it has recently emerged as the most popular payment method. The purpose of the study is to determine the main causes of UPI's quick uptake, its effects on people of all ages, and how it affects people's financial behaviour. A questionnaire disseminated via Google Forms was used to gather primary data for a survey with a sample size of 100. Utilizing SPSS, statistical analysis and interpretation were carried out utilizing techniques like regression analysis, correlation, and frequency distribution. The results demonstrate that UPI is still growing and is well-liked by a variety of demographics, with Gen Z adopting it at the fastest pace. The main elements driving UPI's increasing acceptance are its security features, accessibility, and ease of usage.

Keywords: Digital transactions, security, adoption, financial behaviour, and Unified Payments Interface.

Introduction:

People increasingly adopt new developments for their convenience and benefit as technology continues to grow. The Unified Payments Interface (UPI) was created as a result of the growing popularity of smartphones, the internet, and the continuous digital transformation, especially the fusion of technology and banking. UPI has had a major impact on how people do financial transactions. It is a system that combines different banking functions, smooth financial transfers, and merchant payments into a single platform by integrating several bank accounts into a single mobile application (provided by any participating bank). It also facilitates Peer-to-Peer collect requests, which let users plan and handle payments as required. The National Payments Corporation of India (NPCI) introduced UPI in 2016, and it has since gained recognition for its ease of use and security. In terms of both user base and transaction volume, it is currently one of the most popular payment systems in the world. Understanding the use and growth of UPI is essential, particularly among the tech-savvy and digitally connected Generation (Gen Z), since financial tastes and behaviours continue to change across various demographic groups. As a result, researching UPI's societal penetration and the primary forces for its uptake and expansion is still very important.

Review of literature:

SS Pillai, G. Sandhya and G. Rejikumar (2019)

This research study was done to see the technological shifts in carrying out daily transactions. Technology makes payments easy as well as convenient. From the analysis, it was found that simplicity and interoperability have a positive significance to the intention and use of mobile payment solutions for financial transactions. The research model predicts that customers are most concerned about security aspects when making digital transactions. As India has adopted a digital economy and moving towards cashless economy, UPI and all other electronic mode of transactions are gaining popularity.

Anirban Pathak (2023)

In many ways, UPI has transformed India's digital economy and has paved the way for the country's transition to a cashless society. After releasing in 2016, a steady growth has been witnessed in PTP and PTM transactions across the country. Real time bank-to bank payments can be made using a phone number or an UPI id. A number of factors has been identified that has contributed to growth of UPI in India.

M. Dadhich, M. S. Pahwa and S. S. Rao (2018)

The widespread use of internet has transformed the economy with electronic payments becoming a reality. Demonetization proved to be a catalyst in fast forwarding the growth of the online modes of transactions. This paper studied the issues influencing the acceptance of digital payment system in general.

It was found that security system, government regulations, convenience, productivity & flexibility were significantly associated with consumer's intention towards using digital payment mode.

Kedar Bhide (2019)

Increased penetration of Smartphones, adoption and penetration of internet and huge investments in fintech have all contributed to the growth of digital payments in India. In the research paper, the author pointed out to driving force, growth and impact of Fintech on digital payment modes.

Bijin Philip (2019)

Payment systems in India have undergone rapid changes during the past few years. The adoptions of mobile and card payment systems are two key components of this initiative. Purpose of this study was to identify the customer preference towards UPI in particular, and understand the impact of UPI on customer satisfaction. The study revealed that there was a positive impact or perception by the customers towards UPI in general.

Problem Statement:

Over the years, UPI has had impressive expansion. Determining the main elements influencing its success requires an understanding of the causes of its broad acceptance as a preferred method of transaction. With an emphasis on UPI specifically, this study attempts to determine if people have actually made the switch from cash-based to digital payment methods and investigate the underlying factors that have contributed to UPI's rise across various age groups. Furthermore, it is critical to examine UPI's future course to see whether it will keep growing and gaining traction.

Objectives:

- To study how far UPI has been accepted by the society.
- To analyse the relationship between age and usage of UPI.
- To analyse if people have really shifted from cash to UPI.
- To study how usage of UPI has impacted an individual's financial behaviour.
- To understand respondent's perception on UPI's future growth.

Scope of the Study:

This research primarily examines the extent to which UPI has been adopted across different age groups and explores users' perspectives on its future growth. It seeks to identify the key factors influencing the adoption of UPI and assesses whether individuals have transitioned from cash-based transactions to digital payment methods, with a particular focus on UPI.

Research Methodology:

A sample of 100 respondents was sent a questionnaire using Google Forms, which was used to collect primary data for this study. To evaluate the growth and acceptability of UPI across different age groups, data analysis was done using the statistical program SPSS. The data was interpreted, insights were gained, and significant conclusions were drawn using regression and correlation analysis.

Limitations of the Study:

- It is difficult to make accurate inferences on the uptake and expansion of UPI in rural areas because to the data's preponderance of respondents from metropolitan and urban areas.
- The study depends on the correctness and dependability of participant replies because data collection was done via an online questionnaire via Google Forms due to time restrictions.
- This study just looks at UPI; it doesn't take into account alternative digital payment options that those who haven't chosen UPI could have used. The expansion and use of substitute digital payment methods are outside the purview of this research.

Data Analysis and Interpretations:

Table 1.1 Frequency distribution analysis of Age

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		10	10.0	10.0	10.0
	15-20	52	52.0	52.0	62.0
	21-30	12	12.0	12.0	74.0
			12.0	12.0	86.0

31-40	12			
41-50	14	14.0	14.0	100.0
50+				
Total	100	100.0	100.0	

Interpretation: The frequency distribution of the 100 respondents' ages is shown in the following table. According to the frequency test, 52% of the respondents are between the ages of 21 and 30, which is a very high percentage. The other responders are fairly evenly dispersed throughout several age groups.

Table 1.2 Frequency distribution analysis of Gender

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	60	60.0	60.0	60.0
Female	40	40.0	40.0	100.0
Valid Total	100	100.0	100.0	

Interpretations: The frequency distribution of the 100 respondents genders is shown in the table above. Of the responders, 40% are women and 60% are men.

Table 1.3 Frequency distribution analysis of Place of Residence

Place of residence				
	Frequency	Percent	Valid Percent	Cumulative Percent
Metro	26	26.0	26.0	26.0
Urban	58	58.0	58.0	84.0
Semi-urban	12	12.0	12.0	96.0
Rural	4	4.0	4.0	100.0
Valid Total	100	100.0	100.0	

Interpretations: The frequency distribution of the respondents' dwelling location is shown in the above table. While a cumulative of 16% came from semi-urban and rural regions, 84% came from metropolitan and urban areas, which is a really high percentage.

Table 1.4 Frequency distribution analysis of Occupation

Occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
	26	26.0	26.0	26.0
Salaried	4	4.0	4.0	30.0
Self-employed	52	52.0	52.0	82.0
Student	12	12.0	12.0	94.0
Homemaker				
Retired	6	6.0	6.0	100.0
Valid Total	100	100.0	100.0	

Interpretations: The frequency distribution of the respondents' occupations is shown in the table above. 52% were students, 26% worked for a living, 12% were housewives, 6% were retired, and 4% worked for themselves.

Correlation Analysis between Age and Familiarity with UPI

Correlations

		Age	How familiar are you with UPI
Age	Pearson Correlation	1	.354**
	Sig. (2-tailed)		.000
	N	100	100
		.354**	1
How familiar are you with UPI	Pearson Correlation	.000	
	Sig. (2-tailed)		.000
	N	100	100

Interpretations: Age and UPI familiarity appear to have a somewhat positive linear connection, as indicated by the positive correlation value of 0.354. It is common for people to get more familiar with UPI as they get older. This association is statistically significant when the p-value is less than 0.001.

Regression Analysis

Independent Variables: Age, Gender

Dependent Variable: How frequently do you use UPI

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
	.043	.292		.147	.883
(Constant) Age	.433	.063	.562	6.832	.000
1 Gender	.355	.158	.184	2.243	.027

Interpretations:

- Age shows a moderate-to-strong positive association with the dependent variable, according to the standardized coefficient of 0.562.
- The correlation between Age and How frequently do you use UPI is statistically significant, as indicated by the t-value of 6.832 and p-value of 0.000.
- Gender shows a weaker positive correlation with the dependent variable than Age, according to the standardized coefficient of 0.184.
- The statistical significance of the association between Gender and How frequently do you use UPI is indicated by the t-value of 2.243 and p-value of 0.027.
- To summarize, our research shows that age and gender are both statistically significant indicators of UPI usage frequency, with age being the more powerful predictor.

Conclusion:

The purpose of the study was to evaluate the growth and acceptance of UPI in different age groups. A Google Forms-distributed questionnaire with a sample size of 100 respondents was used to collect primary data. SPSS software was used to evaluate the gathered data. Age and UPI knowledge showed a positive association, indicating rising awareness and use, according to a correlation test. According to regression research, age was a more important factor than gender in determining the frequency of UPI usage. The results demonstrated UPI's quick growth over time, with 88% of respondents actively using it for everyday transactions. UPI's simplicity of use was the main factor in its adoption, closely followed by its security features and accessibility. Furthermore, 35% of respondents were unsure, while 50% of respondents said they had fully switched to UPI and other digital payment methods. This points to a substantial move away from cash-based transactions and toward digital ones, with UPI being the favoured option because of its practicality. With 30% of respondents admitting that their spending patterns had changed, 25% admitting that they had trouble keeping track of their costs, and 20%

saying they had become more frugal with their spending, UPI also seemed to have an impact on financial behaviour. Furthermore, 86% of interviewees thought that UPI will develop significantly in the future, whilst 14% chose not to respond.

The survey concludes that UPI has grown significantly overall, especially among younger populations. Its popularity as a preferred payment method in today's digital environment may be ascribed to its accessibility, user-friendliness, and strong security measures.

REFERENCES:

Journals:

1. SS Pillai, G. Sandhya and G. Rejikumar (2019): Acceptance of mobile payments and UPI technology - Indian context
2. Anirban Pathak (2023): Trends in the Growth of UPI - A Systematic Literature Review
3. M. Dadhich, M. S. Pahwa and S. S. Rao (2018): Factor Influencing to Users' Acceptance of Digital Payment System
4. Kedar Bhide (2019): Growth of Digital Payment System in India
5. Bijin Philip (2019): Impact of UPI on customer satisfaction

Websites:

1. https://en.wikipedia.org/wiki/Unified_Payments_Interface
2. <https://www.npci.org.in/what-we-do/upi/product-overview>
3. <https://www.godigit.com/finance/upi/upi-transaction>
4. <https://scholar.google.com/>