Digital Payment Transformation: Analyzing UPI Awareness and Satisfaction in Kondotty Municipality

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ABSTRACT

Unified Payments Interface (UPI), developed by the National Payments Corporation of India (NPCI), has revolutionized digital transactions in India by integrating multiple bank accounts into a single mobile platform. This system facilitates seamless peer-to-peer (P2P) and merchant transactions, offering convenience, speed, and interoperability. With growing adoption of UPI through apps like Google Pay, PhonePe, and Paytm, understanding consumer awareness and satisfaction has become crucial for further development of digital payment infrastructure. This study focuses on evaluating the awareness, usage patterns, satisfaction levels, and perceived risks associated with UPI among residents of Kondotty Municipality in Malappuram district. Using a descriptive research design, primary data was collected from 60 UPI users via structured questionnaires and analyzed through statistical tools like ANOVA, Chi-square tests, and correlation using IBM SPSS. The study also explores factors influencing user satisfaction, including security, ease of use, and transaction speed. Findings aim to assist stakeholders in enhancing UPI services and promoting wider adoption by addressing user concerns and improving customer experience. However, the study is limited to a specific geographic area and sample size, which may affect generalizability.

Key words: Unified Payments Interface, Fin-tech Adoption, Digital India, E-payment adoption.

1.1 Introduction

According to the National Payments Corporation of India (NPCI), the Unified Payments Interface (UPI) is a real-time payment system that enables users to link multiple bank accounts through a single mobile application offered by any participating bank. UPI integrates several banking features—such as seamless fund transfers, merchant payments, and peer-to-peer (P2P) transactions—into one unified platform. It also allows users to schedule and fulfill collect requests based on their convenience.

Today, various UPI-enabled mobile applications like Google Pay, Paytm, PhonePe, and others have become an integral part of everyday life. Transactions on these platforms are powered by UPI, which simplifies digital payments by allowing money transfers between bank accounts using a smartphone. Users can link accounts from multiple banks within a single UPI-enabled app and conduct transactions 24/7 using their registered mobile number.

The NPCI launched the UPI platform through a pilot program involving 21 member banks. This pilot was officially inaugurated on April 11, 2016, by Dr. Raghuram G. Rajan, then Governor of the Reserve Bank of India, in Mumbai. Subsequently, UPI-enabled applications were made available on the Google Play Store starting August 25, 2016. Today, UPI facilitates payments between deposit accounts and is increasingly being integrated with pre-paid instruments like wallets. Notably, in June, the Reserve Bank of India approved the use of RuPay credit cards on UPI, raising expectations for the delivery of credit services via this payment platform.

At present, a significant number of people use UPI-based payment systems due to their ease and convenience. However, while many are well-informed and actively use UPI, a portion of the population remains unaware or hesitant. This study aims to assess the level of awareness and satisfaction among users regarding UPI as a digital payment solution.

1.2 Statement of the problem

The usage of UPI is increasing rapidly day by day. Most of the retail shops are now offering UPI services to their customers. Acceptability of UPI like other digital payment help in most of the online platforms helps to promote the usage of UPI over other modes payment. The easiness and quickness are some of the important factors that lead people to Use UPI. Customers can use UPI for online and offline shopping bills Payment, ticket booking, money

transfer, mobile recharge etc…This study is conducted to understand the awareness and satisfaction level of the users of UPI in Kondotty Muncipality, Malappuram district.

1.3 Objectives of the Study

1) To assess the level of awareness and extent of usage of UPI services among users.

2) To evaluate customer satisfaction with UPI as a digital mode of payment.

3) To identify and analyze the key factors influencing customer satisfaction with UPI services.

4) To examine the major challenges and issues faced by customers while using UPI platforms.

1.4 Research Gap

Although several studies have been conducted on digital payment systems and UPI adoption at national and urban levels, limited research is available focusing on small municipalities or semi-urban areas like Kondotty. Most existing literature explores adoption factors in broader economic zones but often overlooks localized user behavior, satisfaction, and awareness levels in rural or semi-urban regions. Moreover, there is a lack of studies that specifically analyze the challenges users face in such settings and how these influence satisfaction with UPI services.

1.5 Proposed Tools and Methods for Measurement

The primary measurement tool used in this study is a structured questionnaire, designed to gather data on UPI users' awareness, usage patterns, satisfaction levels, and challenges. The questionnaire includes both closed-ended questions (such as Likert scale and multiple-choice items) and open-ended questions to ensure a comprehensive data set. For data analysis, both descriptive and inferential statistical tools are employed using IBM SPSS. Descriptive statistics such as mean, percentage, and frequency distribution help summarize general patterns of awareness and usage. Inferential tools include the Chi-Square Test to examine associations between demographic variables and satisfaction or awareness, Correlation Analysis to assess the relationship between usage and satisfaction, and ANOVA to compare satisfaction levels across different demographic groups.

1.6 Review of Literature

- Taylor, B. "A Review of Potential Benefits and Risks." *2016*.

  Taylor highlights the need for retailers and suppliers to adapt their systems to meet the expectations of mobile consumers. The study draws insights from self-checkout systems and explores current mobile scanning and point-of-sale trends.

- Shamshrsingh and Ravish Rana. "Adoption of Digital Payments." *2017*.

  The study shows that education level significantly influences digital payment adoption. Higher education and internet literacy increase the likelihood of UPI usage, particularly in urban areas like Delhi NCR, aided by smartphone and internet penetration.

- Liebana, F. "Predictive and Explanatory Modelling Regarding Adoption of Mobile Payment Systems." *2017*.

- Liebana discusses how mobile payment adoption is growing due to accessibility, ease of use, and smartphone proliferation. The study views adoption from a merchant's perspective, highlighting mobile commerce as an emerging opportunity.

- Thomas, Roshna, and Abhijeet Chatterjee. "UPI and Indian Economy." *2017*.

  The authors argue that UPI's success depends on financial inclusion, smartphone usage, and trust in banking. PMJDY and digital awareness drive growth, while weak front-end platforms and mobile wallet competition pose challenges.

- Suma Valley and Hema Divya. "Consumer Adoption of Digital Payments in India." *2018*.

  This study finds that technology adoption in banking improves performance and supports a move toward a cashless economy. It emphasizes the need for banks to raise awareness about secure and effective digital payment use.

1.7 Analysis and Interpretation

Mean score of level of awareness towards different aspect of UPI

Awareness	very high (5)	high (4)	moderate (3)	low (2)	very low (1)	Mean
Different payment App	16	26	16	1	1	3.916
Security Features	8	25	23	3	1	3.6
New Updates	10	19	23	8	0	3.51

Interpretation

From the above graph present the level of awareness towards different aspects of UPI. It depicts the highest mean score with value 3.916 for the awareness of different payment app

.that means respondents are highly aware about different payment app in UPI the result shows that respondents have an neutral awareness about different aspects of UPI.

Association between level of usage and awareness of respondents

H0: There is no significant difference between awareness of respondents and level of usage. H1: There is a significant difference between awareness of respondents and level of usage.

One way ANOVA test has been conducted to test the above hypothesis and the result is given below:

Association between level of usage and awareness of respondents

|	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	26.193	3	8.731	3.166	.031
Within Groups	154.444	56	2.758		
Total	180.637	59			

Interpretation

Table explains the awareness of respondents and level of usage of UPI based payment system. For the purpose of comparing factors with level of usage, the above hypothesis is formulated. We used one-way ANOVA test for the purpose. In hypothesis testing the p value is more than 0.05 (.051) we would reject the alternate hypothesis. The null hypothesis states that, there is no significant difference between awareness of the respondents and level of usage, while the alternative hypothesis (H1) suggests that there is a significant difference.

Since we reject null hypothesis, the ANOVA results suggest that there is a significant difference in between awareness of respondents and level of usage of UPI service

Table Showing mean score of level of satisfaction towards different aspect of UPI

satisfaction	Highly satisfied(5)	Satisfied (4)	Neutrified (3)	Dissatisfied (2)	Highly dissatisfied(1)	Mean
Convenience	32	20	6	2	0	4.366
Safety and security	15	30	9	6	0	3.9
Offers and discounts	7	19	25	6	3	3.45
Speed of transaction	26	13	11	10	0	3.91
Wide range of banking service	13	18	17	3	9	3.38
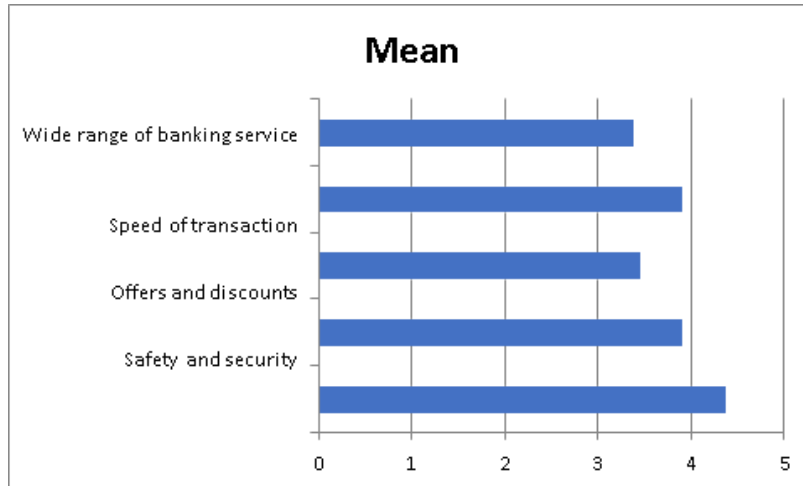
Interpretation

From the above graph present the level of satisfaction towards different aspects of UPI. It depicts the highest mean score with value 4.366 for the satisfaction of convenience that means respondents are highly satisfied with the convenience while using UPI service. The result shows that respondents satisfied with the different aspects of UPI.

Association between occupation and consumer satisfaction

H0: Occupation wise no statistically significant in the selection of consumer satisfaction. H1: occupation wise statistically significant in the selection of consumer satisfaction.

Chi-square test has been conducted to test the above hypothesis and the result is given below.

Occupation and consumer satisfaction

	value	Df	Asymp. Sig.(2- sided)
Person chi- square	11.157	16	.759
Likelihood ratio	10.909	16	.815
Linear-by-Linear Association	.079	1	.778
N of Valid Cases	60		

Interpretation

The table explains the occupation wise comparison of consumer satisfaction of the respondents. Chi-square test was used to examine association between categorical variable (occupation and consumer satisfaction). There is no significant association at 5% significant level between occupation and consumer satisfaction (χ^2=11.157,df=16,p=.759).Hence H1 were rejected. The chi square result suggest that Occupation wise no statistically significant in the selection of consumer satisfaction.

Association between risk and awareness of customers

H0: there is no significant difference between risk and awareness of respondents. H1: there is a significant difference between risk and awareness of respondents

Correlation has been conducted to test the above hypothesis and the result is given below:

Association between risk and awareness of customer

	Risk	Level
Risk	1	
Level	-.052	1

INTERPRETATION

Table shows association between risk and awareness of respondents for the purpose of comparing the risk in UPI and awareness of respondents, the following hypothesis are formulated. We used correlation test for the purpose.

1.9 Findings

The study reveals that the majority of respondents are highly aware of various features of UPI, particularly payment apps and security measures, with the highest mean awareness score (3.916) related to familiarity with different UPI apps. About 42% of users engage with UPI services on a weekly basis. A one-way ANOVA test indicated a significant relationship between users' level of awareness and their frequency of UPI usage ($F = 3.166$, $p < 0.05$). In terms of customer satisfaction, users expressed high satisfaction with key aspects such as convenience, speed, security, and discounts, with convenience receiving the highest mean score (4.366). However, the chi-square test showed no significant association between occupation and satisfaction ($\chi^2 = 11.157$, $p = 0.759$). Speed of transaction emerged as the most influential factor for choosing UPI services, cited by 42% of respondents. Demographically, 58.3% of participants were male, and the same percentage fell within the 18–25 age group. Half of the respondents were undergraduates, 43% were employed in the private sector, and 32% had been using UPI for 1–2 years. Google Pay was identified as the most preferred UPI app (57%), with friends being the primary source of awareness (47%). Furthermore, 43% reported high awareness of various payment apps, 42% were highly aware of security features, while 38% had low awareness of new UPI updates.

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