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Navigating Consumer Perception for UPI: A Systematic Literature Review

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ABSTRACT

The impulsive intensification in adoption of “Digital payment system” also fluctuate the behaviour of consumers with respect to UPI (Unified Payment Interface). As it is observed that UPI present in a leading place in retail payment division. Out of the various Flagship payment facilities provided by NPCI “Unified Payment Interface (UPI)” holds a remarkable place. This study focusing on systematic literature review of the previous year relevant materials to identify the frequent theme regarding consumer perception of UPI, influence of demographic factors on consumer perception and challenges that affect their perception. The present study explorative and descriptive in nature based on deep review of research papers published in different journals, newspapers and magazines or existing work. After reviewing the existing work the significant findings specified that though easy to use and speeds are key drivers of UPI system. But security issues, network error, demographic factors and usage pattern of UPI by consumer also have an impact on their perception and inclination to use UPI payment mode. The main implications of this study is though UPI has gained more acceptance at wide level and consumer have positive perception towards it but to maintain this position in future it is necessary to address security issues effectively. The current review also provides a vision to industrialists; government, financial institutions and policy makers who are focused on increasing consumer trust in UPI for its acceptance at national and international level.

Key Words – *Unified Payment Interface, Perception, Systematic, Review*

INTRODUCTION

The enlargement of “Digital payment” at global level transformed the pattern of doing transactions from cash and cheque based system to electronic and mobile based technique (Goyat and Nandal, 2025a). The evolution in this payment system is driven because of technological innovation, increasing consumer demand for fast and comfort in use of this method of payment. The “Unified Payment Interface (UPI)” plays a critical role for the attainment of objective to make India a cashless economy. The UPI transactions grow or increase in an unexpected speed according to data available on official website of NPCI which show its growth pattern and increase in acceptance of UPI by consumers, merchants and various institutions. The UPI system contribute maximum in growth of our economy, so it is necessitates comprehending the Users perception for success of UPI technology. Consumer perception is depending on many factors such as convenience, speed, security and privacy concern, and user experience, their level of trust and availability of customer support service. The current systematic literature review is conducted with the aim of collaborate or integrated with the existing research work on consumer perception for UPI, explore the different factors which stimulates the “Adoption, Usage and Extent of Satisfaction” regarding UPI. The analysis of previous studies or research work plays a pivotal role for identifying the adoption pattern, existing research gap and also provides clear guidelines for future research purpose. The current study also provides suggestions and valuable remarks for different companies developing UPI apps, Government, industry players and also for academicians.

OBJECTIVES OF RESEARCH-

The current study is related to conduct “Systematic Literature Review (SLR)” of the existing study to understand consumer perception about UPI. But mainly, this study aims to:

1. To explore the various UPI features that influence consumer perceptions.
2. To examine the consumer perceptions for UPI based on various demographic factors such as age, profession, income and education.
3. To observe consumer perception for UPI based on their usage pattern.

As specified by the title of this research paper, study is based on a review of previous research and existing literature related to consumer perception of UPI though a significant amount of research has been conducted using both “Primary and Secondary data”, it is beyond scope of this research to

incorporate or discuss every piece of work. Therefore, research papers have been carefully selected for this study, based on their relevance and contribution to the topic. These papers effectively cover the critical aspects of UPI and provide valuable insights into consumer perception, as detailed below.

DISCUSSION AND ANALYSIS

Consumer Perception Regarding UPI Features –

Perception means the opinion and behaviour of consumer regarding the features embedded in UPI system. A significant literature work explored consumer perception and satisfaction regarding various UPI features such as easy to use, less time consuming, security, convenient, privacy, e-service quality etc.

Debnath (2024) found the increase in UPI acceptance because of its high speed in processing of payment and efficient security features associated with it. The consumers were also positive towards it because of simplicity of UPI interface. **Goswami et al. (2023)** also studied and analysed that UPI consumers are positive and satisfied about this system due to various reasons such as speed and easiness but arising of technical decline create problem in its working. **Mondal and Sharma (2023)** examined that consumers reside in rural area of “West Bengal” perceived differently for various features of UPI system and the reason behind it is that they belong to different demographic background. **Nair (2023)** analysed positive relationship in “Better E-service quality and customer loyalty” for UPI. This better service quality UPI feature ensures positive attitude of consumer towards UPI. **Vidya and Sankar (2023)** examined that maximum respondent or users feeling highly satisfied about use of UPI and recommend about its use in daily life. **Ramya and Sandhiya (2023)** evaluated that UPI system is preferred by maximum users but they were not equally satisfied or equal level of perception for all features of UPI. **Shah and Bhatt (2023)** studied the opinion and perception of rural consumers in Gujarat for digital payment system. It is identified that Perceived ease of use, perceived security, perceived benefit are the key factors but ease of use identified as the key feature for positive consumer behaviour for digital payment system. **Irene and Devi (2022)** determined that though many users are positive towards UPI but out of them male respondent belong to young age category preferred this system at maximum level and this paper also highlights the effect of different demographic factors such as gender and age on perception of consumer for UPI. **Poudel and Sapkota (2022)** observed that there were different characteristics related to UPI such as privacy, security and its utility which affect consumer perception for this mode of digital payment. **Arvind and Rajesh (2021)** identified that many users believed that UPI is preferred by them because it is simple to use and also take less time for processing of transaction but digital illiteracy and non-response of server contribute negatively for UPI adoption by customer. **Mahesh and Bhat(2021)** executed analysis of UPI on the basis of its strength, weakness, opportunity and threat and it is observed that UPI play a lead role in digital payment frontier and the key reason for this image is its simplicity in use. **N and Subbulakshmi (2021)** identified that UPI's speed, security and easy to use features lead to positive perceptions and satisfactions in the consumers. **Kakade and Veshne (2017) & Thomos and Chatterjee (2017)** provided a detailed explanation of UPI concept, its working, its features and benefits. Their research indicated that UPI unique features are the drivers of its rapid adoption and growth.

Proposition 1: The majority of consumers hold a positive perception and attitude towards UPI because of its ease of use feature.

Consumer Perception for UPI based on Demographic Factors - Demographic factors includes “Age, Education, Gender, Occupation, income level, Marital status etc” of consumers and the Residential area significantly shape consumer perception of Unified Payment Interface(UPI). The existing research suggested that consumer's views for UPI will be differ based on these demographic variables. Because each consumer experiences UPI in relation to their specific characteristics.

Chaure (2023) found that consumers' education level is the key factor in their positive insights or perception of UPI. Similarly, **Ghani et al.(2023)** observed that “Gender, education, age and monthly income” affect UPI usage. They also noted that COVID-19 pandemic had a positive impact on UPI adoption. **Khatte and Soni(2023)** scrutinized that age plays significant role in consumer point of view or opinion about UPI system as compare to their gender. **Kumbhar et al. (2023)** observed that increase in UPI adoption is the result of consumer positive perception, particularly among young male students aged 21-25 that suggests that perceptions are significantly differ on the basis of gender, occupation and age. Similarly, **Siddaraju (2023)** found that both male and female hold positive attitudes towards digital payment system, their perceptions vary with respect to age and education. **Shah and Bhatt (2023)** found significant differences in user perception in rural areas of Gujarat, where Age, education, Annual income are influential factor but education having the greatest impact. **Thirupathi and Akula (2022)** confirmed that while gender has little effect on consumer perception of UPI, education plays a crucial role. **Aggarwal et al. (2021)** highlighted that adoption of UPI was influenced not only by the age of UPI users but their marital status and education also affect their adoption behaviour. **Rasna and Sushila(2021)** investigated that there was a remarkable difference exists in usage pattern of consumers belongs to different area(Urban and Rural) as urban users irrespective of their gender choose to use UPI as compare to rural users. Finally, **Himani (2018) and Singh and Rana (2017)** concluded that education is a primary demographic factor influencing consumer perceptions of digital payments. While many studies report that education shapes positive attitudes toward UPI, there are notable differences in perceptions based on age, income and residential area. **Shah and Zala (2018)** identified that maximum woman in Gujarat state are aware about digital payment system, with education key demographic factor and their income level not affect their perception.

Proposition 2: After studying significant amount of literature it is concluded that out of the various demographic factors, age and education level are the key factors which shapes the consumer perception of UPI. However, gender seems to less impact on these views.

Consumer Perception about Usage Pattern of UPI

The usage pattern of UPI refers to factors such as which UPI app is preferred, the frequency of usage(daily, weekly, monthly, or occasionally), the type of transactions performed, the purpose of using UPI(bill payment, recharge, shopping, online trading) and the transaction amounts. India's diverse demographic profile influences these usage patterns.

Haridas (2023) observed that UPI usage is increasing daily, although it has contributed less to the growth of the retail sector. **Sankararaman et al. (2023)** explored UPI app usage frequency based on consumer awareness and found that most respondents are well-informed, have a positive perception of UPI and have been using UPI for more than 2-3years, with Google Pay being the most preferred app. **Thirupathi and Akula (2022)** examined the perception of post graduate students from Satavahana University, Telangana, and it is concluded that their views on UPI depend not only on its features and demographic factors but also on their usage patterns, including the number of UPI apps used, frequency of use and purpose. It is enumerated from this study that maximum Post-Graduated students are optimistic attitude for UPI, Primarily using it for mobile recharges and fund transfers. Similarly, **N and Subbulakshmi (2021)** noted that consumer have a positive perception and high satisfaction with UPI apps and Google pay being the preferred app.

Proposition 3: UPI usage has increased steadily since its introduction and consumers frequently using UPI apps for payments. Google pay is the most preferred app for fund transfers.

CONCLUSION AND FINDINGS

The UPI payment system associated with several valuable features such as ease of use, high processing speed and discount offers. As a result, most consumers have positive beliefs and perception towards UPI. The usage patterns vary across consumer types, with many using UPI frequently. Consumers primarily use UPI for fund transfers, shopping and mobile recharges. As Mohapatra (2017) explains, "Unified Payment Interface (UPI)" work on "Real-Time Payment Basis Principle" and now UPI has become the most preferred payment method in digital world (Sharma 2016).

However, no system is perfect and the same holds true for UPI because when used in daily life, UPI faces several challenges such as poor internet connectivity and server downtime. The key issues, however, are digital illiteracy, security and transaction privacy issues. Despite these issues, UPI transactions have grown steadily since its inception, having a positive impact on the retail sector and to maintain this growth combined effort from both the public and private sectors- specifically the government and digital payment service providers is necessary. Awareness programme targeting rural women and consumers above 45 years of age should be initiated. Additionally, the government should focus on offering short-term training courses to reduce digital illiteracy. Affordable internet access should also be provided to encourage greater use of UPI. Based on this systematic literature review, it is concluded that UPI offers more benefits than drawbacks, making it a highly feasible option for digital payments and consumers are encouraged to prefer it.

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