

A STUDY ON CONSUMER PERCEPTION TOWARDS UPI APPLICATIONS WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

Unified Payments Interface (UPI) is one of the fastest growing digital payment system through which a user can both send and receive money through a Virtual Payment Address (VPA). Uniqueness of UPI over other digital payment methods like 24*7 and 365 days availability, Easy and convenient to use and secure gateway attracts the customers of service sector. The study is based on the descriptive research design. The study has used both primary data and secondary data for analysis. Primary data collected through questionnaire and secondary data collected through various journals, articles and from Internet. A sample of 120 participants was chosen at random to participate in the study.

Keywords: UPI, Consumer perception, Digital payment

INTRODUCTION

Customer perception is the opinions, feelings, and beliefs customers have about the brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness. This includes their thoughts, emotions and opinions related to a brand and its products or services. Customer perception can be positive or negative. The customer perception process occurs when customers interact with the brand, products or services.

STATEMENT OF THE PROBLEM

The cashless transaction system, which is an extension of the demonetization process, has a substantial impact on consumer behavior. In India, the majority of consumers are heavily reliant on cash transactions; nevertheless, consumers must now transition from cash to cashless electronic transactions. Except for a few, the majority of consumers prefer to pay with cash for goods and services. The government has recently announced that all limits on traditional cash transactions, as well as offers for electronic transfer, are encouraging customers to adopt and use cashless transactions for their purposes. In light of the foregoing, this study attempts to comprehend the concept, methods, benefits, and drawbacks of digital transactions in India.

SCOPE OF THE STUDY

The scope of the study is to understand the perception of the UPI among the consumers in India and its usage. The study will focus on the factors influencing their decision to use UPI and their attitude towards it. The study will also identify the challenges associated with UPI usage and the impact of the current digital payment landscape on UPI usage. Further, the study will also explore the preferences and usage patterns of UPI users and the benefits.

OBJECTIVES OF THE STUDY

1. To analyse the perception of consumers towards UPI.
2. To identify the various usages of UPI.
3. To find the customers perception and attitude towards UPI.
4. To identify the factors for growth and usage of mobile wallet.

RESEARCH METHODOLOGY

Research Design – Descriptive research design

Source of Data – Primary Data & Secondary data

Sampling Technique - Convenient sampling technique.

Sampling Size – 120 Respondents

Area of the Study – Coimbatore city

Tools used for analysis

- Simple percentage analysis.
- Likert scale analysis.
- Ranking Correlation.

LIMITATION OF STUDY

- The study confined to Coimbatore city only and hence the results cannot be generated to other areas.
- The no. of respondents is limited to 120.

REVIEW OF LITERATRE

Radhika Arora¹(2016), Unified Payments Interface (UPI) is an instant real-time payment system developed by National Payments Corporation of India facilitating interbank transactions. The study tries to assess the customer attitude and perception towards digital payments and UPI to understand both UPI system and other payment modes. The study's most important finding is that about 45% of the respondents believe that UPI based digital transactions are safer and more secure than other forms of digital payments. The study can be conducted on a rural sample where the respondents are not so highly educated or computer savvy and there may be additional infrastructural problems of lack of smart phones and poor internet connectivity. These factors may give a new focus to the research.

Radhika Basavaraj Kakade, Prof. Nupur A. Veshne² (2017), The study of UPI helps to hide sensitive account information along with consumer convenient. Also UPI is fast and does not involve the costs like debit card or net banking. Providing instant payments via mobile, web and other applications the data has been collected from government and other bodies and compared different mode of payments and their number of transactions are collected. Information has been drawn from e-journals, articles from renowned analyst and newspapers. Thus, the study is conceptual and descriptive type. India has seen enormous growth in smart phone selling in recent years and will have 530 million smart phones in 2018(According to a new study by U.S.-based media agency Zenit). Trough Pradhan Mantri Jan Dhan Yojana 30.45 crore accounts and 22.93 cards provided for universal access to Banking.

¹ Radhika Arora (2016), "A Study On Customer Perception Towards UPI and Its Growing Influence In the Realm of Digital Payments: an Empirical Study", Adarsh Journal of Management Research, ISSN 0974-7028, Volume – 09, Issue – 01, pp.no: 39-45.

² Radhika Basavaraj Kakade, Prof. Nupur A. Veshne (2017), "Unified Payment Interface (UPI) - A Way Towards Cashless Economy", International Research Journal of Engineering and Technology, e-ISSN: 2395-0056 p-ISSN: 2395-0072, Volume – 04, Issue – 11, pp.no: 762-766.

Rahul Gochhwal³ (2017), The paper helps to decode the technical architecture, transactional processes and security systems of UPI which can help to develop innovative business solutions. India currently has inadequate digital payment acceptance infrastructure for merchants and merchant centric UPI solutions have the potential to fill this gap in a cost effective manner. UPI enables personal mobile to be used as a primary device for all payments including person to person, person to entity, and entity to person. Customers can access UPI payment facilities through UPI Apps provided by Payment Service Players (PSP). UPI has witness rapid growth since its launch in August, 2016 in terms of number of users, volume and value of transactions. UPI can be a great enabler for financial inclusion in India and allow a huge set of population to be a part of digital economy.

SIMPLE PERCENTAGE ANALYSIS

Percentage analysis is the method to represent raw streams of data as a percentage for better understanding of collected data. Percentage analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding. It particularly useful method of expressing the relative frequency of survey responses and other data.

TABLE NO 1

TABLE SHOWING PRIOR NEED OF UPI APPLICATIONS OF THE RESPONDENTS

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Yes, Frequently	54	45.00
2	Yes, Occasionally	57	47.50
3	No, Never used	9	7.50
TOTAL		120	100

(Source: Primary Data)

INTERPRETATION:

The table 1 shows that 45.00% of the respondents are frequently used UPI, 47.50% of the respondents are occasionally used UPI, 7.50% of the respondents are never used UPI. **Majority 7.50% of the respondents are Occasionally using UPI.**

³ Rahul Gochhwal (2017), “Unified Payment Interface—An Advancement in Payment Systems” , American Journal of Industrial and Business Management, ISSN Online: 2164-5175 ISSN Print: 2164-5167, Volume – 07, pp.no: 1174-1191.

TABLE NO 2

TABLE SHOWING KINDS OF TRANSACTIONS USED BY RESPONDENTS

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Peer to Peer(P2P) Payments	30	25.00
2	Merchant Payments	0	00.00
3	Bill Payments	82	68.33
4	Other	08	6.67
TOTAL		120	100

(Source: Primary Data)

INTERPRETATION:

The table 2 shows that 25.00% of the respondents are Peer to Peer(P2P) Payments, 00.00% of the respondents are Merchant Payments, 68.33% of the respondents are Bill Payments, 6.67% of the respondents are others. **Majority 68.33% of the respondents are using for Bill payments.**

TABLE NO 3

TABLE SHOWING RESPONDENT'S RECOMMENDATION OF UPI

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
1	Yes	67	55.83
2	No	26	21.67
3	May be	27	22.50
TOTAL		120	100

(Source: Primary Data)

INTERPRETATION:

The table 4.1.9 shows that 55.83% of the respondents are recommending UPI, 21.67% of the respondents are not recommending UPI, 22.50% of the respondents are may be recommending UPI. **Majority 55.83% of the respondents are recommending UPI.**

LIKERT SCALE

Likert scales are the most broadly used method for scaling responses in research studies. Research questions that ask you to indicate your level of agreement, from strongly agree or highly satisfied to strongly disagree or highly dissatisfied, use the likert scale. In Likert scale method, a person's attitude is measured by combining (additional or averaging) their responses across all items.

TABLE NO 4

TABLE SHOWING PREFERENCE LEVEL OF USAGE THE RESPONDENTS REGARDING UPI APPLICATION

S.NO	PARTICULARS	NO. OF THE RESPONDENTS	LIKERT SCALE(X)	TOTAL (FX)
1	Strongly Agree	29	5	145
2	Agree	27	4	108
3	Neutral	34	3	102
4	Disagree	21	2	42
5	Strongly Disagree	9	1	9
TOTAL		120		406

(Source: Primary Data)

INFERENCE:

Likert scale value 3.4 is greater than the middle value (3), so the respondents are neutral with UPI Application is easy to use.

TABLE NO 5

TABLE SHOWING SECURITY LEVEL OF RESPONDENTS REGARDING THE UPI APPLICATION

S.NO	PARTICULARS	NO. OF THE RESPONDENTS	LIKERT SCALE(X)	TOTAL (FX)
1	Strongly Agree	10	5	50
2	Agree	45	4	180
3	Neutral	37	3	111
4	Disagree	20	2	40
5	Strongly Disagree	8	1	8
TOTAL		120		389

(Source: Primary Data)

INFERENCE:

Likert scale value 3.2 is greater than the middle value (3), so the respondents are neutral with UPI Application is secure.

RANK CORRELATION

A rank analysis is any of several statistics that measure an ordinal association, the relationship between ranking of different ordinal variables or different ranking of the same variables, where a “ranking” is the assignment of the labels “first”, “second”, “third”, etc., To different observation of a particular variable. A rank analysis measures of similarity between two rankings, and can be used to assess the significance of the relation between them. It is not necessarily a total order of object because two different objects can have the same ranking. The ranking themselves are totally ordered.

TABLE NO 6

TABLE SHOWING RANK OF CHALLENGES FACED THE RESPONDENTS RELATED TO UPI APPLICATIONS

FEATURES	1	2	3	4	5	TOTAL	RANK
Technical issue	80(5)	12(4)	4(3)	4(4)	20(1)	488	1
Lack of trust in the system	19(5)	72(4)	7(3)	19(2)	(3(1)	445	2
difficulty in linking bank accounts	14(5)	13(4)	85(3)	7(2)	1(1)	392	3
Lack of awareness about UPI	14(5)	28(4)	11(3)	63(2)	4(1)	345	4
Limited merchant acceptance	29(5)	11(4)	7(3)	9(2)	64(1)	292	5

(Source: Primary Data)

INTERPRETATION:

In the table 4.3.1, it is understood that Technical issue is ranked as 1, lack of trust in the system is ranked as 2, difficulty in linking bank accounts is ranked as 3, Lack of awareness about UPI is ranked as 4, call Limited merchant acceptance is ranked as 5. **Majority of the respondents ranked technical issue as a first factor with influenced in the challenge faced while using UPI.**

FINDINGS, SUGGESTION AND CONCLUSION

FINDINGS

PERCENTAGE ANALYSIS:

- 61.67% of the respondents earn less than 1 lakh.
- 47.50% of the respondents are Occasionally using UPI.
- 68.33% of the respondents are using Bill payments.
- 55.83% of the respondents are recommending UPI.

LIKERT SCALE ANALYSIS:

- The respondents are neutral with UPI Application is easy to use.
- The respondents are neutral with UPI Application is secure.
- The respondents are neutral with UPI application is very fast.
- The respondents are neutral with UPI Application frequently face technical issues.
- The respondents are neutral with UPI Application frequently face transaction failures.
- The respondents are neutral with UPI Application is like to continue in the future.
- The respondents are neutral with the overall user experience of UPI Application.
- The respondents are agree with the customer support provided by UPI Application.

RANK CORRELATION:

- The respondents ranked technical issue as a first factor with influenced in the challenge faced while using UPI.

SUGGESTIONS

- Care should be taken in reducing the risk associated with digital payments.
- The legal framework should be quick enough to punish the culprits as well as proper IT mechanism exist to avoid any frauds and to ensure the security.
- Government work more on secure payment of the people.
- Improvement can be made in transaction speed while using the apps.
- Various ethical laws are also need to be programmed for the customers, and they should know in case of serious defaults, whom to meet in direct. UPI payment should also reach out fully to the rule area also.

CONCLUSION

Customer's are quite satisfied with the service of Unified Payment Interface (UPI) application. The developer has to improvise their service strategies so that customer's expectations can be satisfied. Improvement can be still to be made in the security levels while using the UPI apps. The usage, comfort ability is being wider and wider day by day govt. support e-payment system for the development. Made human life convenient as a person can pay his payments online. The proliferation of smart phones, the availability of an online verifiable identity, universal access to banking and the introduction of biometric sensors in phones will proactively encourage electronic payment systems for ushering in a less-cash society in India.

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