



Growth of UPI in India

Dr.P.Sai Rani |Professor-Head Dept. of Finance |ICBM-SBE-HYD| sairani@icbm.ac.in

K. Venkata Lakshman | Asst. Professor ICBM-SBE| lakshman@icbm.ac.in

Marisetti Sai | Asst. Professor ICBM-SBE| saimarisetti@icbm.ac.in

Abstract

Technology changed the days people live. People are more engaged in digital. After the Demonetization in India, the government used a powerful tool UPI to do financial transactions digitally keeping in view customer safety. For most of the financial transactions people are using UPI via different applications instead of Internet Banking. Increase in usage of internet made transactions easy and fast which brought changes in the behaviour of people while dealing with financial transactions. Majority of people prefer to use UPI, instead of other mode of payments irrespective of volume of transactions. The objective of the study is to test the various factors influencing the behaviour of the customer in preferring UPI payments which lead to growth of UPI in India. For the purpose of study data is collected from primary and secondary sources. Primary data is collected through survey for which sample data is collected from 131 respondents and conclusions are derived applying descriptive statistical tools and techniques.

Keywords: Internet Banking, India, Digital Transactions, UPI, Technology.

1. Introduction

UPI PAYMENTS: Today world is running towards digital., whether it is job, transfer of money, making documents in a secured way everything in our daily life the priority goes to digital. After the mobile enter the human's life the digital processing things are doing is very handy, with in few minutes the user can easily handle the digitalization process with mobile applications. Especially the UPI payments with the help of apps like BHIM, PAYTM, GPAY, PHONEPE the user can easily transfer the money to other accounts and received the money within minutes. The synonym of digital transformation is the sender and receiver use the electronic mode of payment. The main aim of digital payment is very secured, paperless transactions i.e., 24*7 with in very few minutes. The user sends as low as 100rs to higher limit as per the limit alone by the specific payment gateways or UPIS. National payments

corporation of INDIA (NPCI) is the main root holder of all digital payment transaction which is setup initiative of RBI and IBA under payment and settlement ACT 2007(Dr D.S. Borkar et.al in Digital Payment: The Canvas of Indian Banking Financial System Volume 7, Issue8 2020). Traditional banking is believing in physical transactions but from since few years the growth of digital transactions are very high compared to traditional banking. In INDIA with help of these UPI payments the economy is also too good. As expected after demonetisation electronic transaction and digital payments gained a lot of huge popularity.

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Growth of UPI payments in INDIA: Transaction volume over the UPI more than double over a year, reaching 2.73 billion in March 2021 compared to 1.25 billion a year ago (livemint.com - Tarush Bhalla) National Payments Corporation of INDIA (NPCI) defined the 30% market share cap on UPI transactions for 3rd party apps like Gpay, PhonePe etc. Not only, PhonePe, Gpay even airtel, amazon and WhatsApp also entered digital payment to attract customers with huge discount coupons. Even though the Walmart's also are in the same manner.

“As the name suggested, UPI was a unifying force. When India started it, our target was 500 million. It is rarely 200 million as of now” (www.fortuneindia.com) In India the top of the top six UPIS as of April 2021 recorded the highest no of transactions. (www.yourstory.com - 2021).

Internet usage: Internet has become the most valuable resource in the human life. Internet has become integral part in our daily work, for performing household chores, Education, entertainment etc. Especially people engaged to corporate life interact and engage themselves over internet. The usage of internet in the world is very high now compared to few years ago. It is ruling the world in the areas of Business, Education, Medical, Banking, Finance, and other key areas. This is the most valuable platform for e-commerce organizations earning them billions of profits. Especially the market is completely dependent on internet. The companies are using their brands over internet to attract new customers. As per multiple surveys and estimates, more than 366 million new users start using internet every year.

Internet users are increasing a growth rate of 11 new users per second and one new million users each day.

Features:

- Quick money transfer through our handy devices.
- 24*7 and 365 days working functionality.
- You can use any UPI for transfer of money to other banks
- Payment of UPI designed for online transactions

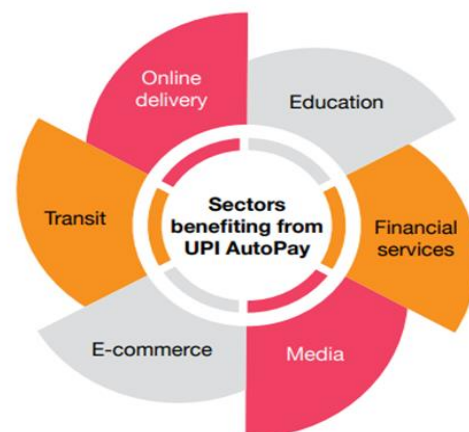
International developments in UPI:

- UPI in Singapore and UAE
- Global partnerships
- Faster payment modes and real time QR-based payment systems across the international Markets.

New Updates for UPI:

- Licence Granted to a messaging service.
- Promoting govt payments
- UPI autopay recurring payments
- IPO subscriptions

So many sectors benefiting from UPI autopay: like Online delivery, Education, Financial Services, Media, E-commerce, Transit etc



(Source: vivekbelgavi Fintech Leader and Mihir Gandhi PWC India December-2020)

Objectives:

- To Study the awareness of UPI system among customers
- To Study the adoption of UPI apps among customers

Literature Review:

Surabhi Agarwal, 2018: Cashback offers on transaction value, incentive schemes will increase the usage among the merchants than p2p payments.

Sahil Panchal and Manu Balachandran, 2018: The scope of BHIM has to be widened, as UPI succeeded itself in India and to engage users, new categories have to be added in BHIM.

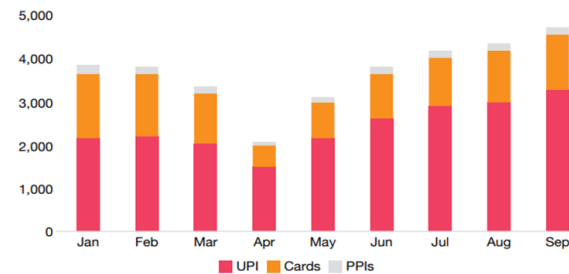
Sasi Desai, Nipun, and Piyush Khandekar, 2017: In digital transactions, unified and secure payments were the major reasons for the success of UPI adoption. UPI could make the obsolescence of physical cash which completely transform the nation.

Roshana Thomas and Dr. Abhijit Chatterjee, 2017: Success of UPI depends on financial inclusion, access to banking services and increasing the penetration of smart phone. Undoubtedly Indian economy is revolutionized by UPI.

Dr. Virshree Tungare, 2018 “A Study on Customer Insight Towards UPI- An Advancement of Mobile Payment System”: Discuss that the UPI is the most advanced payment system in the world. It allows any 2

bank accounts to transfer money via handy devices like mobiles and tabs.

Performance of UPI in 2020: It is a digital platform in India that enables fast transactions which was started in 2016. In October 2019, it recorded one billion transactions in a month. Two billion UPI transactions were recorded in October 2020(www.pwc.in //remarkable raise of UPI in 2020)



(Source: www.pwc.in //remarkable raise of UPI in 2020)

The top 6 UPI apps as per March 2021

Name of the UPI app	Number of Transaction (in Million)	Amount in (Rs. Crore)
Google Pay	905.96	190106.71
Paytm	372.7	41469.53
Axis Bank apps	80.52	747.46
Amazon pay	49.12	4272.47
Yes Bank apps	22.81	5120.17
BHIM	22.26	6886.78

Source: <https://yourstory.com/2021/05/upi-transactions-reach-26-billion-phonepe-google-pay-leads/amp>

Methodology:

A questionnaire was designed to collect data from the respondents regarding the Growth of UPI services. The structured questionnaire

form was designed on Microsoft form and links were sent to different people. The questionnaire had 17 questions that explored viewers preference for UPI services. The study describes the sample findings through simple percentage analysis and suggests that the future of UPI growth services is bright in India.

Data Interpretation:

There was total 131 number of respondents selected as sample for data collection.

Table -1

Age in years	
18-25	83.97
26-35	10.69
35-50	5.34

Out of 131 respondents 83.97% are 18-25, 10.69% are 26-35 and 5.34% are 35-50.

Table -2

Gender	
Male	52.67
Female	47.33

Out of 131 respondents 52.67% are male and 47.33% are female.

Table-3

Industry / Occupation	
Employee	22.90
Business	4.58
Student	71.76
Others	0.76

Out of 131 respondents 71.76% respondents are students, 22.90% respondents are employees, 4.58% respondents are business.

Table-4

Do you have Bank Account	
Yes	99.24
No	0.76

Out of 131 respondents 99.24% people are having bank accounts and 0.76% people are not having bank accounts.

Table-5

Which mode of payment / funds transfer do you prefer the most	
UPI	78.50
Internet Banking	10.28
Debit / Credit Cards	5.61
Cash	5.61

Out of 131 respondents 78.50% people prefer UPI payments, 10.28% people prefer Internet Banking, 5.61% people prefer cash and Debit / Credit Cards.

Table-6

Are you Aware of UPI	
Fully aware	72.90
Heard about it	2.80
Not aware	0.93
Partially aware	22.36

Out of 131 respondents 72.90% respondents Fully aware of UPI, 2.80% respondents heard about it 22.36% respondents partially aware and 0.93% respondents not aware about UPI.

Table-7

Do you use UPI for Transactions	
Yes	97.20
No	2.80

Out of 131 respondents 97.20% respondents use UPI Transactions.

Table-8

Do you use any one of these applications	
All	53.27
BHIM	0.93
Gpay	29.91
PhonePe	15.89

Out of 131 respondents 53.27% respondents are using different UPI apps for transactions, 29.61% are using Gpay, 15.89% respondents are using PhonePe, and 0.93% respondents are using BHIM.

Table-9

How often do you make Digital Payments	
Daily	54.10
More than 3 times in a week	36.07
Once in a week	9.84

Out of 131 respondents 54.10 respondents making daily payments using UPI and 36.07% respondents are making payments more than 3 times in a week and 9.84% respondents are doing payments once in a week

Table-10

How much amount you do transaction per month (INR)	
Above 20000	14.06
Between 1000 and 5000	40.63
Between 5000 and 20000	25.00
Less than 1000	20.31

Out of 131 respondents 40.63% respondents are doing between 1000 and 5000 (INR) UPI transactions, 25% respondents are doing between 5000 and 20000(INR), 20.31% respondents are doing less than 1000 (INR) transactions and 14.06% respondents are doing above 20000(INR) transactions

Table-11

What type of Transactions are you using in UPI	
All	61
Online Shopping	9
Recharge and DTH	9
Transfer of Money	26
Others	2

Out of 131 respondents 61% respondents are doing All types of Transactions, 9% of respondents are doing for Online Shopping, Recharge and DTH transactions, 26% of respondents are transferring the money.

Table-12

Questions	Total	Strongly Agree (%)	Strongly Disagree (%)	Agree (%)	Neutral (%)	Disagree (%)	Total
Convenience of Payment	130	63%	7%	21%	9%	0%	100%
Transfer / Payment of Amount	130	59%	5%	28%	8%	0%	100%
Cashback rewards	130	16%	11%	25%	40%	8%	100%
Ease of Track spending	129	32%	6%	34%	26%	2%	100%
Advertising about UPI	128	15%	10%	34%	36%	5%	100%

Out of 130 respondents 63% are Strongly Agree, 7% respondents are Strongly Disagree, 21% respondents are Agree 9% respondents are neutral on Convenience of payment

Out of 130 respondents 59% are Strongly Agree, 5% respondents are Strongly Disagree, 28% respondents are Agree 8% respondents are neutral on Transfer / Payment of Amount

Out of 130 respondents 32% are Strongly Agree, 6% respondents are Strongly Disagree, 34% respondents are Agree 26% respondents, are neutral and 2% respondents are disagree on Ease of Track spending

Out of 130 respondents 15% are Strongly Agree, 10% respondents are Strongly Disagree, 34% respondents are Agree 36% respondents, are neutral and 5% respondents are disagree on Advertisement of UPI

Table-13

Will you suggest UPI to others	
Likely	44
Neutral	8
Unlikely	1
Very likely	54

Out of 130 respondents 44% are Likely, 8% respondents are neutral, 1% respondents are Unlikely 54% respondents are Very Likely

Table-14

Have you face any problems using UPI	
Yes	84.48
No	15.52

Out of 130 respondents 84.48% are Yes, 15.52% respondents are No.

Table-15

If yes, what are the problems occurred in using	
Amount debited from your account but not transferred	21.52
Bank server problems	62.62
Others	4.67
Pending Transactions	11.21

Out of 130 respondents 21.52% respondents are Amount debited from your account but not transferred, 62.62% respondents are facing bank server problems and pending transactions problem are 11.21%

Table-16

Your Satisfaction in using UPI (Please indicate as 1-Low and 5-High)	
High	52.59
Low	0.86
Neutral	17.24
Very High	29.31

Out of 130 respondents 52.59% respondents are Satisfaction Level is high 0.86%, respondents' satisfaction level is low, 17.24% respondents'

satisfaction level is neutral and 29.31% respondents' satisfaction is very high.

Findings:

- For the transfer of funds and payment majority of the respondents prefer UPI to internet banking and others.
- People are preferring UPI applications for the transactions like online shopping, recharge of mobile and DTH for transfer of money
- The major success factors for the UPI apps are convenience, cash back rewards and ease track of spending
- While using UPI applications people are encountering bank server problems, failure of transactions etc.

Conclusion:

From the above study the younger generations are showing much and more interest in using UPI apps because of fast and easy transactions with in very less time. This shows that the Growth of UPI in INDIA is in a higher range in future i.e. Digital India

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