

“Factors Preferring UPI Payments over Plastic Money: A Study of Delhi/NCR”

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ABSTRACT

The Indian government has actively pushed for digitization and the Go cashless initiative to help regulate and ease cash transactions following demonetization. The implications of demonetization have resulted in exponential growth in digital payment options such as e-banking, mobile banking, and card transactions, among others. The Unified Payments Interface (UPI) is a fast-growing digital payment system that allows users to send and receive money using a Virtual Payment Address (VPA). Customers in the service sector are drawn to UPI because of its advantages over other digital payment methods, such as its availability 24 hours a day, 365 days a year, and its ease of use and safe gateway. This study aimed to examine customer perceptions of UPI systems awareness and usage in the Delhi NCR region. Primary data was acquired, for this research, using a structured questionnaire, while secondary information was gathered through government reports, the internet, and other sources. The impact of UPI payments over plastic money on user gender, age, monthly income, and occupational data are examined to draw conclusions from the research.

INTRODUCTION

In today's world, everything is becoming digitalized, and one of the best examples is how numerous countries around the world are advancing toward becoming cashless economies. A cashless economy does not use the currency for any of its transactions and instead conducts all of them digitally. Various countries across the world do more than half of their transactions using cashless technologies.

People are particularly concerned about technology. The Indian government has taken many steps to actively promote digital payments in the country. The government's "Digital India" initiative aspires to build a "digitally empowered" economy that is "Faceless, Paperless, and Cashless." Digital payments come in a variety of forms and mechanisms. The usage of debit/credit cards, online banking, mobile wallets, digital payment applications, Unified Payments Interface (UPI) service, and Unstructured Supplementary Service are just a few examples. Digital payment options are comparatively easy to use, more convenient, and allow customers to make purchases from anywhere and at any time. These are a suitable alternative to standard payment methods and have faster transaction times.

Debit and credit cards have brought benefits to people who have struggled to withdraw cash from banks and ATMs since demonetization. Although plastic money has been available for decades, India's acceptance rate remains low.

In March 2016, India has 24.51 million credit cards and 661.8 million debit cards, according to RBI figures. However, only 72.22 million and 112.87 million transactions were completed in March 2015 and March 2016, respectively. Without a doubt, these figures would have risen as a result of demonetization. However, for people who remain dubious about plastic money and are uninterested in using checks or demand drafts, there are a few additional choices used from their telephones.

When UPI was initially introduced, it was a huge success. It was developed by the National Payments Corporation of India (NPCI) in 2016 and launched by 21 member banks with the help of then-RBI governor Raghuram G. Rajan. The National Payments Corporation of India (NPCI) is an umbrella organization that operates retail payments and settlement systems in India. It is an initiative of the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, to create a strong Payment and Settlement Infrastructure in India. Considering the utility nature of the objects of NPCI, it has been incorporated as a "Not for Profit Company under the provisions of Section 25 of Companies Act 1956 (now Section 8 of Companies Act 2013), with provides the infrastructure to the entire banking system in India for physical as

well as electronic payment and settlement systems.

E-Banking:

Online banking, also known as Internet banking (or) virtual banking, is an electronic payment in which a user connects to his bank's website using a personal computer and a browser to conduct any of the digital banking functions. The term E-banking electronic banking encompasses both computer and mobile banking. When a consumer chooses to make a payment using E-banking.

The consumer must complete a registration process with written requirements, as well as create a password and other credentials for customer verification.

Mobile Wallet:

It's a virtual wallet that you can use on your phone. You can keep cash in your phone and use it to make online and offline purchases. These wallets are available from different service providers via mobile apps i.e. Paytm, Phonepe that should be downloaded to the phone. You can use a credit/debit card or Net banking to transfer cash into these wallets online. This means you won't have to enter your card information every time you pay a bill or make an online purchase using the wallet. These can be used to pay bills and make purchases online.

OBJECTIVES OF THE STUDY

- 1) To study the demographic factors of the respondents.
- 2) To know the usage of UPI & Plastic currency.
- 3) Determine the benefits of adopting UPI or plastic money.
- 4) To know the frequency of use of UPI Payments.
- 5) To know which application is highly used for UPI Transactions.
- 6) To know the Factors why people, use UPI over Plastic Money.
- 7) To know the problems majorly faced by the users while using UPI.

REVIEW OF LITERATURE

Literature is collected based on the Factors preferring UPI Payments over Plastic Money.

Khan & Jain (2018) stated that the trend of online payments is growing as a result of the widespread usage of Smartphones. This is sometimes owing to the availability of various and appealing discounts, as well as the ease. The benefits of utilizing e-payments are commonly associated with the benefits given by smartphones, which include a variety of advantages such as simple access to services, independent payments, not being time or location constrained, doorstep delivery, and so on. All of these provisions increased users' trust in e-payments. Electronic money should have straightforward and easy-to-understand features. The ease of use of an electronic system may be important in terms of its utility and user attitude. The elements influencing the usage of electronic money, namely assessing usability, have a substantial impact on the intention to use electronic money. The evaluation usefulness has a clear offering toward the purpose to utilize electronic money.

Wulandari, D., Narmaditya, B. S., Parewangi, A. M., Sakarji, S. R., Purnamasari, V., & Qurrata, V. A. (2018) in his paper Factors affecting the adoption of electronic money conclude that Technology has played a significant part in enhancing people's lifestyles, and it is more beneficial to them when it is simple to use. The findings revealed that the simplicity of use and intention to utilize money had a relationship. They have a nice relationship with each other. According to Roy and Sinha (2017), the attention of consumers to the adoption of electronic payment and clearing systems would grow if only customers think that the services of electronic payment systems are simple to use. ATM and mobile banking software. Interface software should be convenient and user-friendly to catch the attention of clients.

K. Suma Vally and K. HemaDivya (2018) in the Paper "A study on digital payments in India with the perspective of consumers Adoption" conclude that The deployment of technology for digital payments has enhanced the functioning of the banking industry and has enabled the country to accomplish the goal of becoming a cashless society. This survey also emphasizes the percentage of people who are knowledgeable about how to make the best use of technology. Banks should take significant steps to raise awareness about the proper use of technology and security.

Rahul Gochhwal (2017) in his paper "Unified Payment Interface—An Advancement in Payment Systems" concluded that UPI has made it possible to utilize a mobile phone as a major payment device for both making and accepting payments. UPI takes use of India's high teledensity to enable every bank account holder to conduct digital transactions using a mobile phone. In India, where merchant payment acceptance infrastructure is lacking, UPI

allows even the tiniest retailer to begin receiving digital payments without the requirement for POS equipment.

Roshna Thomas and Abhijeet Chatterjee (2017) UPI is indeed a revolution in the Indian economy. However, success depends on various factors. Financial inclusion or access to banking services is a prerequisite for the growth of UPI which is being facilitated by Pradhan Mantri Jan Dhan Yojana (PMJDY) and the increasing smartphone penetration. The ability of banks to capitalize on customer faith, effectively promote UPI, and face competition from mobile wallets will also be the deciding factors. If the banks fail to develop an effective front-end platform, then UPI could fail.

Khuram Shafiq and Khalil Ahmad (2015) Is plastic Money a Matter for Consumer Buying Behaviour? This study confirms that customers prefer to spend with plastic currency since it provides them with convenient access to money, eliminates the risk of carrying cash, and allows them to shop for rewards.

Rouibah (2015) examines that Poor security, a lack of trust, a fear of failure, expensive fees, and a lack of familiarity were found to be the key barriers to payment. Besides, \security aspects of the internet, banking facilities, privacy \ and quality of services were also affecting the uptake of payments

RoopaliBatra, NehaKalra (2016) "Are Digital Wallets the New currency?" Her research informs us that in this era of digitalization, the investigation wants to consider client recognition, usage design inclinations, and fulfillment level concerning advanced wallets, based on a survey of 52 respondents." It also recognizes the roadblocks and challenges that come with choosing one. The findings show that there is a huge untapped market for computerized wallets, both in terms of increasing consciousness and in terms of their utilization.

Kunal Taheam, Rahul Sharma, and, Saurabh Goswami (2016) "Drivers of Digital Wallet Usage: Implications for Leveraging Digital Marketing" The findings of this research focused on several that influenced people to use electronic wallets to make payments. Because of the goals of controllability and security, societal influence and usefulness, and the need for execution development, people in Punjab have been detected using sophisticated wallets.

K. C. Balaji and K. Balaji (2016)"A Study on Demonetization and Its Impact On Cashless Transactions" examine the growth of the cashless exchange system is reaching unprecedented heights, it is believed. People are increasingly opting for cashless transactions. It is correct to state that the cashless system is both a requirement and a requirement for the general population.

RESEARCH METHODOLOGY

This study's sampling frame includes factors in Delhi/NCR that prefer UPI payments to plastic money. For this investigation, a simple random sample technique was used. Survey questionnaires were used to collect data for this research. 213 people provided primary data for this study. Various characteristics such as age, sex, monthly income, and so on were considered while choosing a respondent. Structured questionnaires were used to acquire primary data from respondents. The study's secondary data came from published journals, magazines, other periodicals, and books on research activities. Internet services were also employed to obtain the most up-to-date information from a variety of websites.

Source of Data Collection

Primary data was gathered using a well-structured questionnaire. They were the primary source of information. The primary data was collected through a standardized questionnaire and a direct personal interview. Secondary data was gathered from government reports, websites, as well as other sources.

Development of Research Project:

The collection of information was gathered by self-administration. The person-to-person interview algorithm is implemented due to time limitations and other limitations. A structured questionnaire was prepared because it takes less time, generates detailed and to-the-point information, and is easier to tabulate and analyze. Moreover, respondents like to provide direct responses. Both sorts of questions have been used in open-ended and closed questionnaires.

Sampling Units

Individual respondents were chosen at random from different areas in Delhi NCR for the research of UPI or plastic money consumers like Raj Nagar, Gurugram, Noida, etc. those were Housewives, Employees, Businessmen Doctors, CA, and many more.

Data collection instrument development:

Survey Method and Ground Activity determine how data is collected. Personal interviews are used to gather primary data. I built the questionnaire based on the information that needs to be collected.

Limitations of the Study

- This study is confined to the respondents of Delhi NCR only.
- Only UPI and Plastic Money are being considered for this project
- The primary data were collected using a survey technique, which is subject to recall bias.
- The sample size is very small concerning the study's population.
- The study is limited to certain areas of the Delhi NCR and does not necessarily represent a national trend.
- It's difficult to know exactly all of the respondents provided accurate information; some of them tend to provide incorrect information.
- In a fast-changing industry, one day's or one sector's analysis can shift dramatically. Environmental changes must be taken into consideration to truly understand the findings.
- Primary data has shortcomings that might affect the study's interpretation.
- Although some respondents were unwilling to disclose personal information, the authenticity of all responses may be contested.

DATA ANALYSIS AND INTERPRETATION

The acquired data was examined using charts, and the results of the analysis are presented below. Data analysis assists us in identifying whether our hypothesis is correct or not. It's also useful for determining whether all of our objectives are being met. Data analysis aids us in reaching a conclusion or finding a solution to our study topic.

Data Analysis:

Gender	Total number of respondents (in percentage)	Total number of respondents (in count)
Male	69.3%	148
Female	30.8%	64
Prefer not to say	0%	0

A pie chart is shown in the diagram (Chart 1) above. A pie chart is a statistical graph that is divided into sections to show the percentage of our data. The data collected by the respondents is shown via a pie chart. Male, Female, and not prefer to say are the alternatives for the gender of the respondents in the aforementioned question.

Total Sample Survey Size: 212

Total Number of Male respondents: 148 or 69.3%

Total Number of Female Respondents: 64 or 30.8%

Total Number of Prefer Not to Say Respondents: Nil or 0%

Interpretation:

On analyzing this chart, it shows that there were Male respondents were more actively participated in the study in comparison to Female respondents and There was no participation of Prefer Not to Say, Respondents.

Based On The Highest Qualification

Source: Prepared through MS Excel.

DATA ANALYSIS:

Highest qualification	Total number of respondents (in percentage)	Total number of respondents (in count)
No formal education	0	0
Intermediate	8%	17
Graduation	59.4%	126
Post-graduation	28.8%	61
Professional	3.8%	8

INTERPRETATION:

The above diagram (Chart 3) is a pie chart showing the highest qualification of respondents As in the diagram (Chart 3) and Data Analysis, it was clearly shown that all the respondents were literate. The highest number of respondents has completed their graduation and the least number of respondents were professionals in our survey.

FINDINGS

A structured questionnaire was used to conduct an online and face-to-face survey, and we collected 212 responses in total:

- Of the total number of respondents, there were 69.8% of respondents were male and 32.8% of responders were Female.
- Majorly Respondents are from 18 years to 25 Years age group.
- All the respondents were literate most of them graduated (59.4%).
- From replies received in the survey we find that 95.3% responded they use Online Payments and only 23.1% of users Pause Plastic Money.
- Majorly UPI Payments are used for E-Payments.
- Paytm application is highly used for UPI Transactions as it first introduced UPI Payments after that PhonePe and Google Pay are trending as now they are started offering new features according to market requirements.
- Major source of UPI awareness was Friends 73.6% of users.
- Most users use UPI Payments for their Daily transactions (84.9% of respondents).
- After demonetization it was observed that there was a huge shift towards E-Payments.
- During the COVID 19 period it was found that due to the initiation of contactless payments to stop the spread of coronavirus, citizens started using UPI payments.
- As we find in Survey that UPI Payments is Easy to use, Quick Payments, and avoiding cash dealings that is the major reason for people influencing UPI Payments over Plastic Money.
- Also there were major issues faced by UPI users i.e. Network issues, Safely & Security, and Authentication. UPI applications have to solve these problems for widespread use of applications.

CONCLUSIONS

This study article began with defining online or digital payment, as well as digital wallets, in India. This study then focused on other digital wallets or online payment applications in India, such as Google Pay, Paytm, Phonepe, and others, before giving a detailed description of Amazon, Upi, and Plastic Money, as well as the benefits and drawbacks of utilizing Amazon Pay.

After demonetization, digital payments provided respite and forced people to learn digital transactions. People gradually adopted technology, but they did not want to pay a premium for digital transactions. People in India, on the other hand, endure money troubles as a result of demonetization, as they are left without cash. Furthermore, a service like Paytm can assist them with this.

Until 2019, the adoption of digital payments was gradual and varied greatly per country. Cultural, demographic, and technological factors all had a role, with many of them stemming from the fact that economies were at various stages of development. The COVID-19 issue' unclear duration, on the other hand, will push the public to become accustomed to digital payment platforms. With almost 5.1 billion total unique mobile users and 3.7 billion unique mobile internet users by the end of 2019, the adoption of digital platforms for payments will be aided.

A structured questionnaire was used to conduct an online survey, which garnered 212 replies. Some of the respondents did not accurately answer the questions, which proved to be the study's drawback. According to the results of the survey, many people are opting for cashless payment because it has several advantages, including the ability to save time and be more convenient to use, as well as the fact that various online payment apps provide various cashback and discount offers to encourage people to use digital payment. With online payment, a consumer can keep track of all their spending.

We ask the students, academics, and business people from both urban and rural locations to learn about the obstacles that Indian residents confront as the country moves toward a cashless economy. The Indian government has placed a strong emphasis on being cashless to combat black money and corruption in the country, and different programs and campaigns have been established to educate and motivate citizens. Various digital payment systems have also been devised to make cashless transactions more convenient and environmentally beneficial. Despite the government's efforts, only 17% of the population uses cashless transactions frequently.

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