



A STUDY ON CONSUMER PREFERENCE ON UPI PLATFORMS WITH REFERENCE TO CHENNAI CITY

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Abstract: As India is moving towards digitally after the demonetization. People have slowly adopted the smart payment platforms especially Unified Payment Interface System. And government is also encouraging the public to move towards the digital platforms to reduce the circulation of currency in the economy. During the pandemic situation, most people avoided using cash for payments, instead they started adopting the UPI platforms like GPay, Phonepe, Paytm and other platforms. These platforms help the user to make payments or transfer funds to other people easily without any struggle. These platforms work as an intermediary between bank and the user. This study focuses with objective of understanding the consumer preference of using the UPI platforms for various purposes within the Chennai city. It also focuses to identify the satisfaction level towards various payments with the help of UPI platforms.

Key Words: UPI platform, consumer preference, digitalisation, digital payment, cashless payment.

1. INTRODUCTION:

Electronic payments are now a new trend that people across India are following. People are switching from traditional payment methods to digital payment methods. This allows you to go anywhere without spending money, but having a smartphone with an app makes it possible. Financial Sector India's economic development, which relies heavily on the financial sector, is not only a key factor in the stability of the global economy, but also a source of immense economic opportunities for the world. Widespread changes in the Indian economy since liberalization in the early 1990s have had a significant impact on India's financial sector.

India's BFSI sector is one of the fastest growing sectors of the economy. The economy has seen an increase in private sector activity, including a proliferation of foreign banks, insurance companies, mutual funds, venture capital firms and investment institutions. Since liberalization has transformed India's financial sector and delivered a strong, transparent and resilient recovery, the government and regulators have taken a range of steps to address the challenges of a complex financial structure. I have taught We have strong systems. Several new devices and products have been introduced. Existing sectors are open to new private players.

With the entry of new players, established players have improved their product offerings and distribution channels. Financial intermediaries have also gradually evolved to internationally recognized standards for income measurement, asset classification, provisions and capital adequacy. This gave a great impetus to the development and modernization of the financial sector. Our future goal is to achieve international standards in this area as soon as possible.

With this firm determination, the Finance Department of FICCI India Inc. is a policy maker aimed at giving the necessary direction to all stakeholders and business processes.



2. LITERATURE REVIEW:

Archana Sharma and Dr. Vineet kansal, (2012): Over the years, banks have evolved from the traditional brick-and-mortar model, where customers queue at the bank for services, to a modern bank where services are always available. As evident from this article, mobile phones have immense potential for conducting financial transactions, leading financial growth with great convenience and significant cost savings. For inclusive growth, the benefits of mobile banking must reach ordinary people in the farthest reaches of the country. In order to achieve this, all stakeholders such as regulators, governments, telecom operators and mobile device makers are committed to ensuring that mobile banking penetration reaches from high-end to low-end users and from large cities to medium-sized towns and rural areas. Efforts should be made to spread to the region. Bringing non-banks into the mainstream of the financial industry benefits everyone.

Perna Sharma, Bamoriya and Dr. Preeti Singh, (2012): Mobile banking is growing, but there are many problems and threats in the mobile banking system, and the main problem with mobile banking is customer non-acceptance. The research shows that the industry is in line with the global industry's desire to acquire the latest advanced technology to stay ahead of the competition. Banks around the world, especially India, are moving in the same direction. Apparently, mobile banking is seen as the new era of banking, and banks will spend a lot of money to make it available to their customers and reduce their operating costs.

Nitin Nayak, et.al., (2014): Almost every bank in the world now offers “mobile banking” services to its customers. A key issue is understanding the factors that contribute to a user's intention to use mobile banking services. This paper shows that users who use banking services on their mobile phones are highly satisfied for many reasons. The first reason is the availability of methods such as checking account balances, accessing bank and card statements, reviewing recent transactions, ordering checkbooks, and blocking lost cards. Deposits, etc. Now with mobile banking, you can deposit money at the bank anytime, anywhere. The introduction of OTP will also enhance the security of mobile banking services. Mobile phone onetime password service. Before completing the transaction, the user must enter her OTP generated by the bank while attempting to initiate her transaction in her mobile banking. OTPs are generated for one-time use only, as they expire after one use.

Yu Zhao and Sherah Kurnia, (2014): With the development of mobile communications and the integration of Internet technology, China is expected to have a large number of m-Payment users due to its population size with large numbers of mobile users. However, the number of m-payment users in China is still small, and there are currently few detailed studies on m-payment adoption in China. This study addressed knowledge gaps in m-payments adoption in general and China in particular. The research results show that users' intention to use his m-pay in China is affected by various factors such as user characteristics, system and service quality, utility, social impact, and trust. I was. Above all, system quality regarding comfort and service quality regarding availability have a great impact. Promotions by service providers, user needs, and individual lifestyles are also emerging as important new factors influencing m-pay customization. By examining the impact of these factors on m-payments adoption, we can better understand why individuals may or may not use m-payments. As a result, we can provide better services and develop better strategies to promote m-Payment.

Dr.C. Eugene Franco and Bulomine Regi. S, (2016): E-commerce has grown rapidly over the past five years and is expected to continue or even accelerate at this pace. In today's world of digital marketing, it is concluded that e-commerce plays an important role in the purchasing behavior of customers. India's e-commerce industry is growing at a remarkable pace at 24 owing to the penetration of internet and advanced electronics. The journey of an online retailer presents many major problems and challenges. Factors such as the security of online money transactions, which are among the biggest problems have hindered the smooth expansion of the country's online industry.

3. ABOUT THE TOPIC:

A great initiative by the government of India towards the digitalization helped the people in the right time. The present study gives an insight into important factors influencing people to use this system. It is based on questionnaire method confined to the users and non – users of UPI system.

- This study helps in knowing the purpose of various payments that can be done through UPI system and the satisfaction level towards the features of the application.
- This study helps to understand the importance of use of this system.

As the sample size is 100 only and drawn from the findings cannot be generalized. Since only three UPI mobile applications (Gpay, Paytm, Phone pe) have been taken for study, the findings cannot be generalized.



4. RESEARCH OBJECTIVES:

- ❖ To study the consumer preference on UPI platforms.
- ❖ To understand the consumption behaviour of UPI platform.
- ❖ To know the widely used platform and most common purposes among the users.
- ❖ To identify the satisfaction level for various features of the UPI system.

5. RESEARCH METHODOLOGY:

The study is mainly done to understand the consumer preference towards the Unified Payment Interface that has been introduced to reduce the circulation of black money and to make the people to adopt the digital platform. Frequency analysis, correlation and chi square test is used in the study for data analysis. A sample of 100 respondents has been collected based on the convenience sampling from the people of Chennai city.

6. DATA ANALYSIS AND INTERPRETATION:

CORRELATION ANALYSIS

H0: There is no significant relationship between feature of the app and usage of the app.

H1: There is significant relationship between feature of the app and usage of the app.

Table:1.1

Correlation			
		Which feature of the app attracts you?	Which UPI app you often use?
Which feature of the app attracts you?	Pearson Correlation	1	.130
	Sig. (2-tailed)		.197
	N	100	100
Which UPI app you often use?	Pearson Correlation	.130	1
	Sig. (2-tailed)	.197	
	N	100	100

Interpretation:

From the above table, it can be inferred that Pearson Correlation value is 0.130 and Significant value is 0.197 which is higher than 0.05, hence in SPSS if the significant value is less than 0.05, Null hypothesis is rejected and Alternate Hypothesis is accepted. Therefore, Null Hypothesis is accepted.

Inference:

There is no significant relationship between feature of the app and the usage of the application.

CHI – SQUARE ANALYSIS

H0: There is no significant relationship between gender and satisfaction level of the consumers.

H1: There is significant relationship between gender and the satisfaction level of the consumers.

Table: 1.2

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.474 ^a	4	.976
Likelihood Ratio	.471	4	.976
Linear-by-Linear Association	.025	1	.875
N of Valid Cases	100		



Interpretation:

From the table it is visible that Pearson's chi-square value is 0.474^a and its significant value is 0.976. In SPSS, if the significant value is less than 0.05, Null hypothesis is rejected and Alternate Hypothesis is accepted. Hence 0.976 is greater than 0.05, Ho is accepted.

Inference:

There is no significant relationship between gender and the satisfaction level of the consumers.

7. FINDINGS :

- Majority of the respondents are female.
- Most of the respondents are graduation level.
- Majority of the respondents are students.
- Majority of the respondents belong to the age bracket of 18-24 years.
- Majority of the respondents belong to the urban location.
- Majority of the respondents belong to the annual income group of less than 2Lakhs.
- Majority of the respondents came to know about UPI apps through their friends.
- A frequency analysis was made between which UPI app one often uses and how long have they been using UPI apps. It resulted in a mean of 1.32 and 1.88 respectively. The standard deviation of 0.764 and 0.742.
- A regression was made between two variables - which feature of the app attracts you and do you find many vendors using UPI for transaction. The result was 0.080, which shows there is a significant relationship between the two variables.
- A correlation between, are you a UPI user and location of the respondent was made, resulting in 0.922. This means that the variables are positively correlated and the location of a respondent influences their usage of UPI utilities.
- A correlation between two variables - which feature of the app attracts you and which UPI app you often use. The result was 0.197, showing positive correlation. The attractive feature of the UPI app determines the frequency of usage of that app.
- A Chi-Square was used between the age of the respondents and satisfaction towards the UPI app. The result was 0.474, which shows that there is a significant relationship between the variables.

8. RECOMMENDATIONS:

- From the study we can understand that many have adopted UPI system during the pandemic, though it seems to be less, it can be increased by creating proper awareness and advertisement, the UPI system can reach both rural and urban people.
- When people started using digitalized platform for payment, the first thing that comes in mind is safety and security. The UPI apps need to introduce finger print lock or any other advanced technology that can be easily understood by people to use and also must be the better version to safeguard the users' fund from various hackers.
- The UPI apps can introduce various other bank services to users like stock market trading and mutual funds. It must be available to those who are really interested to do so and the UPI apps can provide proper guidelines to handle them.
- The QR Code system is so popular among people; banks can introduce such system in ATM so that customers can get money from the machine or deposit the same without touching it. Banks can maintain the same procedure as such in UPI apps.
- The UPI apps can update the system to be available to use in offline and services between the apps and various can be improved to avoid escalated errors during transactions.
- The UPI apps can introduce payment modes such as NEFT, RTGS like banks because some organizations and institutions are still accepting payment in such mode only till date. And the users will be able to pay the amount in a single app itself instead of using various applications for payment.



9. CONCLUSION:

A great initiative by the Government of India towards cashless economy and the introduction of UPI system have played a major role during the pandemic situation, after relaxation of lockdown certain apps insisted the customers to pay the amount either in debit / credit cards or net banking or through UPI in order to avoid the payment in cash and the spread of virus. This great time has motivated people to adopt the UPI system and there is a substantial increase in using such system by the people as mentioned in the report released by the RBI.

As M – Payment is growing technology; it needs to focus on the safety and security of funds of users. Various UPI apps must get feedback periodically from customers in order to improve the services provided by them. Also, to rectify the errors faced by the customers during transactions. UPI apps should be linked with not only authorized banks but also small growing banks. This UPI system is playing a vital role in accomplishing the mission Digital India, although the system has certain advantages and limitations, it is to be improved continuously in order to be adopted by the people. Some people might not have smart phones to have access to UPI they can make available of the system AEPS introduced by the Government of India enabling Aadhar card to make payment.

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