

Impact of COVID-19 on UPI Services

¹Purvash Deepak Oswal, ²Prof. Hanmant N. Renuche
¹PG Student, ²Asst. Prof. Bharati Vidyapeeth (Deemed To Be) University, Pune
¹MCA Department,
¹Yashwantrao Mohite Institute of Management, Karad, India.

Abstract –

The demonetization consequences provide extraordinary growth in digital payment like banking, mobile banking, card dealings, etc. Unified Payments Interface (UPI) is one among the fastest growing digital payment system through that a user will each send and receive cash through a Virtual Payment Address (VPA). The uniqueness of UPI over different digital payment strategies like 24*7 and twelve months accessibility, straightforward, convenient to use and secure entrance attracts the shoppers of the service sector. The Covid-19 pandemic seems to have made people focus on contactless payments in their daily life. Though a significant number of people started using contactless payment options such as UPI (Unified Payment Interface) even before the pandemic, its usage has gone up significantly post-lockdown. Nearly one-third of the total amount transacted on this four-year-old platform came in the last six months (the period following the lockdown).

Keywords:- UPI, VPA, Digital Payment

I. Introduction -

Advancement in technology has modified the system of payments in the Asian nation. Additionally, (After 08 November 2016) cashless dealings have been extensively pushed by Prime Minister Mr. Narendra Modi as a part of government reforms. The number of digital transactions stood at regarding 11.8 billion for the primary six months of this year, consistent with calculations based on knowledge from the depository financial institution of Asian nation and also the National Payments Corporation of Asian nation.

This market of digital payments is extremely settled by a sensible tool called sensible phones. The simple handiness of web affiliation, one-touch access, secures monetary dealings influence the adoption of 1-bit payment. So to optimize this profit of sensible phone and technology and to develop a platform for cashless and clear monetary transactions the Government of the Asian nation developed one important product, the "UPI" (Unified Payment Interface). UPI may be a straightforward payment tool created by NPCI (National Payments Corporation of India) that's primarily based on the IMPS system. It facilitates a Virtual Payment Address (VPA: A VPA is an Associate in Nursing ID, that a user creates by linking their accounts to a bank's mobile application).

Youngsters incorporate a special concern regarding technology. The government of the Republic of India has been taking many measures to push and encourage digital payments within the country. As a part of the "Digital India" campaign, the government aims to form a "digitally empowered" economy that's "Faceless, Paperless, and Cashless". Post ending, folks slowly started to grasp digital payments, and even tiny time merchants and search homeowners started accepting payments through the digital mode. United Payment Interface (UPI) transactions value increased by a whopping 105% between December 2019 and 2020, revealed transaction data from the National Payments Corporation of India (NPCI). Transaction value in rupees, through the UPI system, jumped from Rs 2.02 lakh crore to Rs 4.16 lakh crore, as the platform found a higher user base since the COVID-19 pandemic.

II. UPI (Unified Payment Interface) & Its uniqueness -

Unified Payments Interface (UPI) could be a digital payment system through that a user will each send and receive money through a Virtual Payment Address (VPA). The money is going to be directly debited from the customer's bank account. It's a system that powers multiple bank accounts into one mobile application (of any collaborating bank), merging many banking options, seamless fund routing & merchant payments into one hood. It conjointly caters to the "Peer to Peer" collect request which might be scheduled and paid as per demand and convenience. National Payments Corporation of Asian nation (NPCI), the umbrella organization for all retail payment systems in the Asian nation has concerned a replacement initiative of implementing "Unified Payment Interface" to change and supply one interface across all systems. Banks have begun to transfer their UPI-enabled Apps on the Google Play store from 25th August 2016 onwards.

The uniqueness of UPI than other digital payment methods:

- Immediate money transfer through mobile device round the clock 24*7 and 365 days.
- Single mobile application for accessing different bank accounts.
- The Virtual address of the customer for Pull & Push provides for incremental security with the customer not required to enter the details such as Card no, Account number; IFSC, etc.

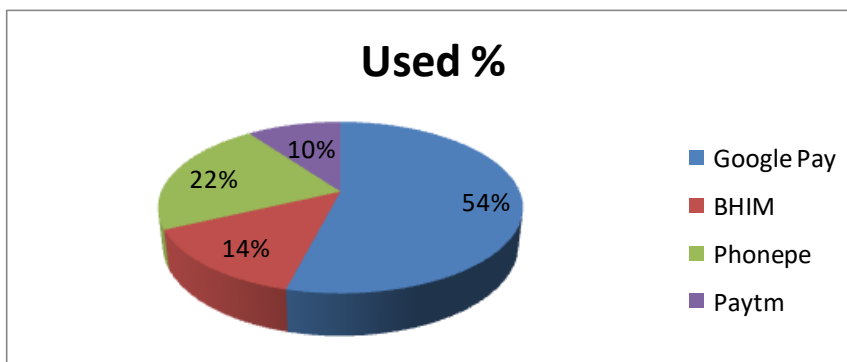
- Bill Sharing with friends and opportunity to earn reward points.
- The Best answer to the Cash on Delivery hassle, running to an ATM or rendering the exact amount.
- Utility Bill Payments, Over the Counter Payments, Barcode (Scan and Pay) based payments.
- Donations, Collections, Disbursements Scalable.

III. Research Methodology -

For our study, both Primary and Secondary Data have been used. Primary data has been collected using questionnaire methods from 100 people. Secondary Data have been collected from various online sources such as websites, articles, journals, news, etc.

Data Analysis & Interpretation:

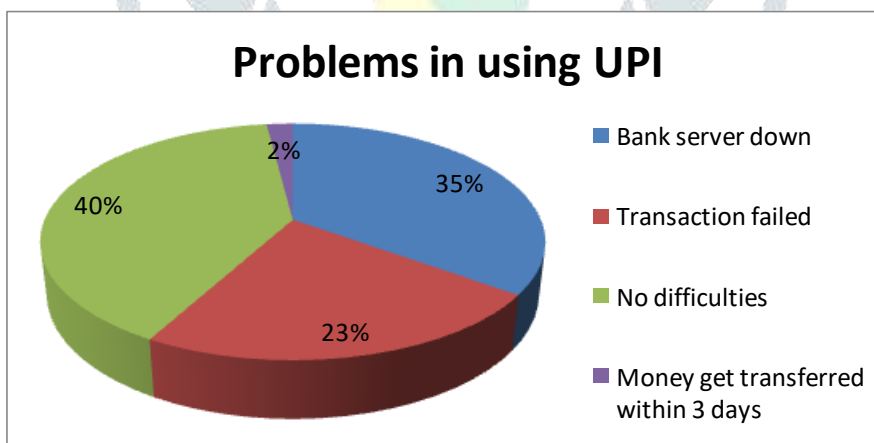
Q.1 For transactions, which UPI app are you using most?



Interpretation:-

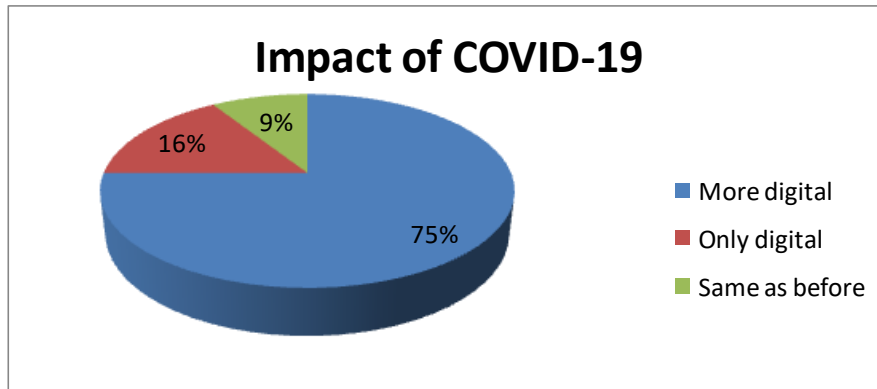
From the above data, it is observed that the Google Pay app is the most used UPI app i.e. 54%. After Google Pay, Phonepe(22%) is used most by users. Reasons for more use of Google Pay and Phonepe apps can be cashback, offers & discounts. Usage percentage of BHIM & Paytm app is 14% and 10% respectively.

Q.2 What kind of difficulties do you face while using the UPI App?

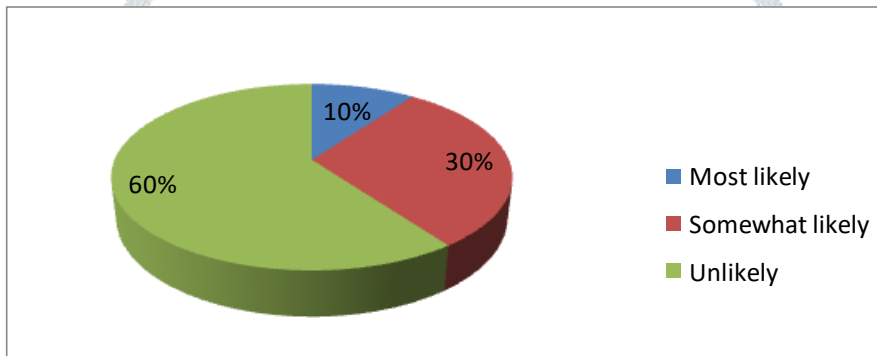


Interpretation:-

From the above data, there are 2 major problems faced by UPI app users i.e. Bank server down(35%) and Transaction failures(23%). 40% of users seem to have no difficulties while making transactions. 2% of users mentioned the problem that money gets transferred within 3 days.

Q.3 What is the impact of COVID-19 on the usage of UPI?**Interpretation:-**

From the above data, it is observed that there is a higher use of digital payment methods than cash payments i.e. 75% of users use digital methods for making transactions. Around 16% of users use only digital payment methods. 9% of users still make payments as before.

Q.4 How likely are you to move back to cash payments after the pandemic?**Interpretation:-**

From the above data, the majority of users(60%) find digital payments convenient, safe and secure. 30% of users might consider moving back to cash payments. On the other hand, 10% of users mention security concerns as a reason for returning to cash payments.

IV. Conclusion -

UPI developed the m-payment technology by facilitating mobile phones to be used as the main payment device for giving and accepting payments. In distinction to all or any of payment systems, it is said that UPI is the most advanced payment system in the world. UPI payment system permits cash transfer between any 2 bank accounts by employing a sensible phone. It permits a client to pay directly from a bank account to completely different merchants, each online and offline, without the trouble of writing MasterCard details, IFSC code, or internet banking/wallet passwords. It aims to change and provide one interface to cash transfers: straightforward, quick, and hassle-free. These options of UPI motivate the respondents of service sectors to adopt the tool and therefore the higher than study revealed that there additionally a major distinction found between the gender towards the adoption of UPI. The use of smartphones, the supply of an internet verifiable identity, universal access to banking, and therefore the introduction of biometric sensors in phones can proactively encourage UPI transactions and findings discovered that the respondent has a positive angle towards the UPI dealing for ushering in a less-cash society in the Asian country.

References -

- [1] Anupama Sharma (2012), "Plastic card frauds and the countermeasures: Towards a safer payment mechanism", International Journal of Research in Commerce, It & Management, Vol. 2, No. 4. 2.
- [2] Ashish Das, and RakhiAgarwal,(2010) Cashless Payment System in India- A Roadmap Technical Report 2010
- [3] Bansi Patel and Urvi Amin (2012), "Plastic Money: Roadmap Towards Cashless LessSociety", Paripex Indian journal Of Research, Vol. 1, No. 11, ISSN 2250-1991.
- [4] BabitaSingla, Manish Bansal (2015) "Consumers Behavior Towards Debit Card Payment Mode While Shopping At Retail Stores" An International Journal of Engineering Sciences, December 2015, Vol. 16 ISSN: 2229-6913 (Print), ISSN: 2320-0332

- [5] BappadityaMukhopadhyay (2016) "Role of MFIs in Financial Inclusion" Review of Market Integration, 2011, vol. 3, issue 3, pages 243-286 6. Dahlberg, T., Mallat, N., Ondrus, J., &Zmijewska, A. (2008).
- [6] K. C. Balajiand K. Balaji (2016)“A Study On Demonetization and Its Impact on Cashless Transactions “International Journal of Advanced Scientific Research & Development” ... Vol. 04, Iss. 03, Ver. I, Mar' 2017, pp. 58 – 64
- [7] KhuramShafiq and Khalil Ahmad (2015) Is Plastic Money Matter for on Consumer Buying Behavior, World Applied Sciences Journal, 23(1), 2013.
- [8] Dr. Stitch Shewta Rathore (2016) “Appropriation Of Cashless transactions By Consumers” issue 4, December 2007, Pages 413–432 11
- [9] RoopaliBatra, NehaKalra, “Are Digital Wallets The New Currency?” Apeejay Journal of Management and Technology, Vol 11, No 1, January 2016
- [10] KunalTaheam, R. S. (2016, January). Drivers of Digital Wallet Usage: Implications for Leveraging Digital Marketing. IJER Serial Publications, 13 (1), 175-187
- [11] Taheam, K., Sharma, R., N Goswami, S. (2016). Drivers of Digital Wallet Usage: Implications for Leveraging DigitalMarketing. International Journal of Economic Research, 13(1), 175-186.
- [12] www.rbi.org.in
- [13] www.trai.gov.in
- [14] www.npci.org.in
- [15] <https://www.india-briefing.com/news/growth-of-digital-payments-systems-in-india-14797.html/>
- [16] <http://www.icommercecentral.com/open-access/study-of-consumer-perception-of-digital-payment-mode.php?aid=86419>

