

# A STUDY ON THE SATISFACTION OF YOUNG USERS TOWARDS UPI PAYMENTS

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## ABSTRACT

India is rapidly adopting digital payment options, driven by increased internet usage and government initiatives like "Digital India- Power to Empower." The transition from traditional payments to electronic methods, including debit/credit cards and mobile payments, has been significant, especially following the demonetization effort. The Unified Payments Interface (UPI) has revolutionized transactions, particularly among young adults. This study explores their satisfaction with UPI, identifying key factors and areas for improvement. Insights from the research can help enhance the UPI ecosystem, encouraging further adoption and supporting the evolution of digital payments in India.

## 1. INTRODUCTION

Advancements in technology have transformed payment systems in India, particularly following the demonetization on November 8, 2016, which significantly boosted digital payments. Prime Minister Narendra Modi's push for cashless transactions has further accelerated this growth. In the first half of this financial year, digital transactions reached approximately 11.8 billion, according to the Reserve Bank of India.

Smartphones have become essential tools in this shift, facilitating easy access to various payment applications. The availability of internet connectivity and secure transaction methods has enhanced the adoption of digital payments. To leverage these advancements, the Government of India introduced the Unified Payments Interface (UPI), developed by the National Payments Corporation of India (NPCI). UPI allows users to send and receive money using a virtual Payment Address (VPA) linked to their bank accounts, enabling seamless transactions with a single click.

## 2. OBJECTIVES

- Understanding the level of awareness among young people towards UPI and its features.
- Determining the frequency of UPI usage among young people and the types of transactions they use it for.
- Identifying the factors that influence young people's decision to use UPI over other payment methods.
- Measuring the level of satisfaction among young people towards UPI's user interface, transaction speed, security, and customer support
- Identifying areas of improvement in UPI's features and services to enhance customer satisfaction and retention.

## 3. NEED FOR THE STUDY

UPI is an abstraction over standard payment transfer mechanisms like IMPS. It helps to hide sensitive account information along with consumer convenience. Also, UPI is fast and does not involve costs like debit cards or net banking. By using statistics government and other bodies the study will approach to understand, discuss, and bring out the issue relevant to the title.

## 4. REVIEW OF LITERATURE

Research highlights the rapid growth of digital payments in India, particularly after demonetization. Studies by Singla and Bansal (2015) show increased comfort with plastic cards, while Shafiq and Ahmad (2015) identify ease of access and reduced risks as key factors. However, security concerns remain (Rouibah, 2015).

Rathore (2016) noted the convenience of digital wallets, and Batra and Kalra (2016) found a large untapped market. Balaji and Balaji (2016) emphasized the essential nature of cashless transactions. Drivers for wallet usage include security and convenience (Taheam et al., 2016), and Singh (2017) found consumer education positively affects adoption. Gochhwal (2017) highlighted UPI's low costs and interoperability, while Vally and Divya (2018) noted technology's role in enhancing banking performance. Challenges include financial inclusion and access (Thomas & Chatterjee, 2017). Agarwal (2018) discussed incentives to boost usage, and Panchal and Balachandran (2018) suggested expanding UPI's features. Overall, UPI is projected to dominate digital payments by 2023 (Kesavan, 2018)

## 5. METHODOLOGY

Research methodology refers to the systematic and organized approach that researchers use to conduct studies, gather data, analyze information, and draw valid conclusions. It encompasses the techniques, procedures, tools, and strategies employed to address specific research questions or objectives, depending on the study's nature, required data type, and

project scope. In this study, data collection involves both primary and secondary sources. Primary data is original information gathered firsthand through methods such as surveys, interviews, observations, experiments, and focus groups, making it unique to this research. Conversely, secondary data consists of previously collected and published information from other researchers or organizations, which is readily available for analysis. For this study, a sample of 100 respondents was utilized to gather the necessary data.

## 6. DATA ANALYSIS AND INTERPRETATION

### 6.1 Percentage Analysis

#### 6.1.1 Percentage Analysis Age of the respondent

Table 1

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-20	5	4.8	4.8	4.8
	21-25	82	78.8	78.8	83.7
	26-30	6	5.8	5.8	89.4
	31-35	7	6.7	6.7	96.2
	above 36	4	3.8	3.8	100.0
	Total	104	100.0	100.0	

INFERENCE:

From the above table, it can inferred that 4.81% of the respondents are 15-20 and 78.85% of the respondents are 21-25 years and 5.77% of the respondents are 26-30 years and 6.73% of the respondents are 31-35 years and 4.81% of the respondents are above 36. Most of the respondents are 21-25 years.

#### 6.1.2 Percentage Analysis Gender of the respondent

Table 2

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	78	75.0	75.0	75.0
	female	26	25.0	25.0	100.0
	Total	104	100.0	100.0	

INFERENCE:

From the above table, it can inferred that 75.00% of the respondents are Male and 25.00% of the respondents are Female. Most of the respondents are Male.

#### 6.1.3 Percentage Analysis Educational background of the respondent

Table 3

Educational background					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	school	3	2.9	2.9	2.9
	UG	36	34.6	34.6	37.5
	PG	60	57.7	57.7	95.2
	Professional course	5	4.8	4.8	100.0
	Total	104	100.0	100.0	

INFERENCE:

From the above table, it can inferred that 2.88% of the respondents are School and 34.62% of the respondents are UG and 57.69% of the respondents are PG and 4.81% of the respondents are Professional course . Most of the respondents are 21-25 PG.

## 6.2 CHI-SQUARE

**NULL HYPOTHESIS (H<sub>0</sub>):** There is No Significant difference between Gender and which of the following factors influence your decision to use UPI over the other payment

**ALTERNATIVE HYPOTHESIS(H<sub>1</sub>):** There is a significant difference between Gender and which of the following factors influence your decision to use UPI over the other payment

Test Statistics		
	Gender	Which of the following factors influence your decision to use UPI over other payment methods?
Chi-Square	26.000 <sup>a</sup>	83.327 <sup>b</sup>
df	1	2
Asymp. Sig.	.000	.000
a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 52.0.		
b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 34.7.		

## INTERPRETATION

The Calculated Significant Value of 0.05 is greater than the Significant value of 0.000 (0.000<0.05).

H<sub>0</sub> is accepted and H<sub>1</sub> is rejected Therefore, there is No Significant difference between Gender and which of the following factors influence your decision to use UPI over the other payment

## 6.3 ANOVA

**NULL HYPOTHESIS (H<sub>0</sub>):** There is No Significant difference between Income and How often you use UPI for transaction

**ALTERNATIVE HYPOTHESIS(H<sub>1</sub>):** There is a significant difference between Income and How often you use UPI for transaction

ANOVA					
Income (per month)					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.440	4	8.360	2.621	.039
Within Groups	315.782	99	3.190		
Total	349.221	103			

## INTERPRETATION

From the above table we find the significant level (0.39) is greater than 0.05, so the Null hypothesis is rejected and Alternative Hypothesis H<sub>1</sub> is accepted. There is a significant difference between Income and How often you use UPI for transaction

## 6.4 REGRESSION

**NULL HYPOTHESIS (H<sub>0</sub>):** There is No overall satisfaction with UPI as a payment method

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.065	5	23.013	34.296	.001 <sup>b</sup>
	Residual	63.747	95	.671		
	Total	178.812	100			
a. Dependent Variable: How satisfied are you with UPI as a payment method overall?						
b. Predictors: (Constant), How satisfied are you with UPI's customer support?, How easy is it to use UPI for transaction?, How satisfied are you with UPI's transaction speed?, How satisfied are you with UPI's security feature?, How satisfied are you with UPI's user interface						

**ALTERNATIVE HYPOTHESIS(H1):** There is overall satisfaction with UPI as a payment method  
INTERPRETATION

The Calculated Significant Value of 0.05 is greater than the Significant value of 0.001 ( $0.001 < 0.05$ ).

H0 is accepted and H1 is rejected Therefore, there is No Significant difference between Income and How often you use UPI for transaction.

## 7. FINDINGS

The survey findings reveal several key insights from 104 respondents regarding their usage and perceptions of UPI as a payment method. The majority of participants (78.85%) were aged 21-25, predominantly male (75%), and well-educated, with 57.69% holding a postgraduate degree. A significant portion (67.31%) identified as students, and 86.54% reported monthly incomes below 25,000. Most respondents (95.19%) were aware of UPI, primarily learning about it through friends and family (73.08%). The most common transaction types were bill payments and recharges (30.77%), with a strong preference for faster transactions (38.46%). Many respondents used UPI multiple times a day (41.35%), valuing transaction speed (75%) over security (18.27%). Satisfaction levels were moderate, with 25% very satisfied overall, and 40.38% finding UPI easy to use. Neutral opinions prevailed regarding UPI's security features (28.43%) and customer

Coefficients <sup>a</sup>						
Model		Standardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.366	.259		1.417	.160
	How easy is it to use UPI for transaction?	.029	.112	.029	.258	.797
	How satisfied are you with UPI's user interface	.318	.128	.317	2.477	.015
	How satisfied are you with UPI's transaction speed?	.139	.135	.132	1.033	.304
	How satisfied are you with UPI's security feature?	.482	.117	.432	4.117	.000
	How satisfied are you with UPI's customer support?	-.063	.101	-.048	-.624	.534

a. Dependent Variable: How satisfied are you with UPI as a payment method overall?

support (43.14%). The chi-square analysis indicated no significant difference between gender and factors influencing UPI usage, while the ANOVA results suggested a significant difference between income levels and transaction frequency. Regression analysis confirmed no significant difference between income and UPI usage frequency, highlighting complex dynamics in user engagement with UPI based on demographic factors.

## 8. SUGGESTION

To enhance UPI's appeal among young users, several key improvements can be made. First, optimizing transaction speed is crucial, as 38.46% of respondents value faster transactions, which can significantly boost satisfaction. Additionally, reinforcing communication about security measures is essential, especially for the 28.43% who are neutral on this aspect. Maintaining and enhancing the user interface, which 32.04% of users currently find satisfactory, will also contribute positively. Improving integration with popular apps is necessary to address the 33.66% who feel neutral about this connectivity. Furthermore, enhancing customer support is vital, as 43.14% of respondents are neutral regarding available services; offering responsive options like chat and phone assistance could help. Ensuring compatibility with a wide range of devices, particularly older models, will meet the needs of the 27.45% who are satisfied. Launching educational campaigns targeting young users can raise awareness about UPI's benefits and address any misconceptions. Introducing attractive rewards and cashback offers will encourage adoption among the 6.73% who find these incentives appealing. Implementing an easy feedback mechanism within the app will allow for continuous improvements based on user input. Regular updates to the app will demonstrate a commitment to enhancing user experience, while providing educational resources can improve financial literacy among young users. By adopting these strategies, UPI can better satisfy this demographic and strengthen its position as a preferred payment method. Regular monitoring of feedback will ensure adaptability to changing preferences.

## 9. CONCLUSION

The study also reveals the results of the survey indicate that respondents choose UPI, notably for its speed and use. However, there were several areas where consumers' opinions were more evenly split, including security, customer service, and connection with other services. With the use of these insights, UPI services may be further improved and adapted to the demands and tastes of this group. that users of UPI have a strong positive perception of technology used in banking which is reflected in their adoption and usage of the same whereas non-users clearly exhibited their disinterest and ignorance in using various technology-driven banking channels.

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