

# A STUDY ON THE FEASIBILITY OF UPI vs MOBILE WALLETS AMONG THE STUDENTS OF FACULTY OF SCIENCE AND HUMANITIES, SRM INSTITUTE OF SCIENCE AND TECHNOLOGY, KATTANKULATHUR

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## **ABSTRACT**

*This study considers the importance of the UPI in the day to day life of the users of the interface. UPI saves a lot of time in transferring the fund from one account to another. With UPI who all has a UPI ID will be able to transfer fund to and fro directly from their bank account instantly. It makes the concept of digital banking more meaningful as time saving is one of the main aspects of digital banking. UPI is one of the most complex and sophisticated payment infrastructures in the world. It uses VPA address similar to email address for the transfer, this VPA is unique and no fake id can be created. This makes UPI secure and reliable. This property of UPI makes it preferable by the users.*

*Another main importance of the UPI is that the government is providing many incentives and also backs the entire system. The government is supporting UPI a lot. It has reduced some taxes and announced incentives for digital payments especially UPI based payments and fund transfers. It has launched Lucky Grahak Yojana for customers and Digi Dhan Vyapar Yojana for shopkeepers. You can get cash prizes up to 1 crore if you pay digitally. Due to these incentives and waivers, more people are showing interest in digital payments.*

**Key words:** Mobile wallet, Digital Payment, UPI

## INTRODUCTION

Digital payment is a way of payment which is made through digital modes. In digital payments, payer and payee both use digital modes to send and receive money. It is also called electronic payment. No hard cash is involved in digital payments. All the transactions in digital payments are completed online. It is an instant and convenient way to make payments. If we talk about cash payments, you must first withdraw cash from your account. Then you use this cash to pay at shops. Shopkeeper goes to the bank to deposit the cash which he got from you. This process is time-consuming for you and for the shopkeeper. But in digital payments, the money transfers from your account to the shopkeeper's account immediately. This process is automatic and neither you nor the shopkeeper is required to visit the bank. Digital payments save you from long queues of ATMs and banks. Because, if you pay digitally, you won't need to withdraw cash from your account. It also lots of time and a little bit money as well.

## STATEMENT OF THE PROBLEM

Internet banking is an emerging concept nowadays and almost all the banks have started using the facility of internet banking. In this fast-moving world, people do not have time to stay in the long que of banks and ATM's. In this regard the government of India, various financial institutions and other tech people with great ideas introduced various mobile applications and various interfaces for money transfer and payments. While using these mobile applications peoples/users faces problems like security issues, and un-availability of these payment systems in small vendor shops etc. UPI is a widely used term nowadays still, UPI is not much familiar between the users as they are only familiar with the application that uses the UPI interface. After the introduction of UPI many applications that used digital wallets also use UPI as a mode of transfer of money hence the users might get confused with same. Hence this study will be carried on the project title "A Study on the Feasibility of UPI vs Mobile Wallets among faculty of Science and Humanities students of SRM Institute of Science and Technology, Kattankulathur".

## REVIEW OF LITERATURE

**Mishra (2017)**, in her study found that Government is decided to set digital targets for banks and payment firms. The government has taken a holistic approach to digital banking, looking at ways to incentivize train merchants and customers who use digital platforms, food and civil supply with the five lakh ration shops. Government is also planning to educate people well about digital payments. The process of demonetization was not properly planned. Planning for making India truly digital has begun only post demonetization.

**Bhakta (2017)**, noted that digital payments grew 57% year-on-year in the last fiscal with mobile wallets more than doubling and card payments rising 44%, helped by a strong government push particularly after the demonetisation. He had also reported Aadhaar-enabled

payment systems and the government-backed, Unified Payments Interface (UPI), have crossed transaction of 8.8 billion. In his article he has also covered details found in interview with AP Hota, MD, NPCI. He reported that hope in increasing in UPI as use of RuPay card is increasing will help to

**Arpita Pandey and Mr. Arjun Singh Rathore (2018) in their study regarding the “Impact and Importance of Digital Payment in India”**, Digital payment helps India in every sector by providing security and safety in relation to cash and also by advancing the lifestyle by adoption of latest technologies for globalization and modernization of our country which leads to the development. All the steps and policies creation by government of India helps Indian society to get knowledge and awareness. achieve target of 25 billion transactions. 1 lakh BharatQR codes that have been distributed across merchant outlets this year and they have plan to do another additional 93,000 the coming year. RuPay cards had 195 million transactions at PoS terminals and around 87.5 million transactions for online transactions.

**Manpreet Kaur (2017) in her study “Demonetization: Impact on Cashless Payment System”**, The cashless transaction system is reaching its growth day by day, as soon as the market become globalized and the growth of banking sector more and more the people moves from cash to cashless system.

### OBJECTIVES OF THE STUDY

- This study is done to understand the feasibility of using the UPI for payments and transfer of money.
- This Study mainly concentrates on the easy usability of UPI among the students of Faculty of Science and Humanities of SRM Institute of Science and Technology.
- To understand why they prefer UPI instead of other modes of payments.

### AREA OF STUDY

The study is conducted in the area of banking. In banking we have many options to transfer fund and to do payments and other important things, some of the same are IMPS, NEFT, Phone Banking, Mobile wallets and UPI. This study gives a clear view of how easy, understanding and secure the UPI is compared to mobile wallets. This research emphasize of the students/users of UPI to know their reaction toward the UPI, to know their preference for using this interface. This study is conducted among the Students of Faculty of Science and Humanities SRM Institute of Science and Technology, Kattankulathur, Kanchipuram, Tamil Nadu, India.

### SAMPLE SIZE

This study is using a small sample size because the study is conducted only for a limited number of days and only in a limited area. The sample size for this study is 112, as the number of respondents is restricted to the limited number.

## LIMITATIONS OF THE STUDY

- The word UPI might not be familiar with many as they do not go deep into the applications they use.
- This study only focuses on a very small and congested sample space.
- Now various mobile wallet applications use UPI as an interface to transfer money, so the people may mistake wallet to be UPI, in this regard a well understandable attempt should be made to make them understand the concept thoroughly.
- Another limitation is that this study is done in a very short timeline hence the complexity of getting and collecting maximum reviews and answers will be a hurdle.
- This study is conducted on a short time frame.

## ANALYSIS AND DISCUSSION

**TABLE 1 AGE OF THE RESPONDENT**

Response	Frequency	Percentage
<b>17 - 19</b>	31	27.7
<b>20 - 22</b>	77	68.8
<b>23 - 26</b>	1	0.9
<b>26 and above</b>	3	2.7
<b>Total</b>	112	100

**Source: Primary data**

From the above table and chart, we can interpret that almost 68.8 percentage (77 respondents) are between the age group of 20-22, next 27.7 percentage (31 respondents) are between the age group of 17-18, the other 2.7 percentage (3 respondents) are between the age group of 26 and above and the rest 0.9 percentage (1 respondent) is from the age group of 23-26. From this we can understand that the main users of UPI are from the age group of 20-22.

**Table 2 GENDER OF THE RESPONDENTS**

Response	Frequency	Percentage
<b>Male</b>	73	65.2
<b>Female</b>	39	34.8
<b>Total</b>	112	100

**Source: Primary data**

From the above table and chart, we can interpret that 73 (65.2%) of the respondents are males and 39 (34.8%) are female. From this we can say that usage of UPI is more in male students compared to female students in Faculty of Science and Humanities of SRM Institute of Science and Technology. This is due to the use of technology more among the male students.

**TABLE 3 QUALIFICATIONS OF THE RESPONDENTS**

Response	Frequency	Percentage
Under graduate	102	91.1
Post graduate	9	8.0
Research scholar	1	0.9
<b>Total</b>	<b>112</b>	<b>100</b>

**Source: Primary data**

From the above table and chart, we can interpret that 102(91.1%) of the respondents are under graduates and 9 (8 %) of the respondents are Post graduates and the remaining 1 (0.9%) respondent is a Research scholar. From this we can understand that under graduate students uses UPI more than post graduate students.

**TABLE 4 BANK ACCOUNT**

Response	Frequency	Percentage
State bank of India	30	26.8
HDFC Bank	2	1.8
ICICI bank	8	7.1
City Union Bank	17	15.2
Other banks	55	49.1
<b>Total</b>	<b>112</b>	<b>100</b>

**Source: Primary data**

From the above table and chart, we can interpret that 30 (26.8 %) respondents have account in State bank of India, 17 (15.2%) respondents have account in city union bank, 8

(7.1%) of the respondents have account in ICICI bank and the remaining respondents have accounts in different banks such as Axis bank, Syndicate bank, Bank of Baroda, Indian overseas bank and others in Faculty of Science and Humanities of SRM Institute of Science and Technology.

**Table 5 BANK FACILITIES**

Response	Frequency	Percentage
Private banks	83	74.1
Government banks	29	25.9
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

From the results received from the respondents we can interpret that private banks provide a variety of features that the government banks offer. The 83 (74.1%) respondents are saying that the private banks provides more facilities and 29 (25.9 %) says that the government banks provides more facilities.

**TABLE 6 AWARENESS ABOUT UPI**

Response	Frequency	Percentage
Fully aware	60	53.6
Partly aware	42	37.5
Heard about it	3	2.7
Not at all	7	6.3
<b>Total</b>	<b>112</b>	<b>10</b>

Source: Primary data

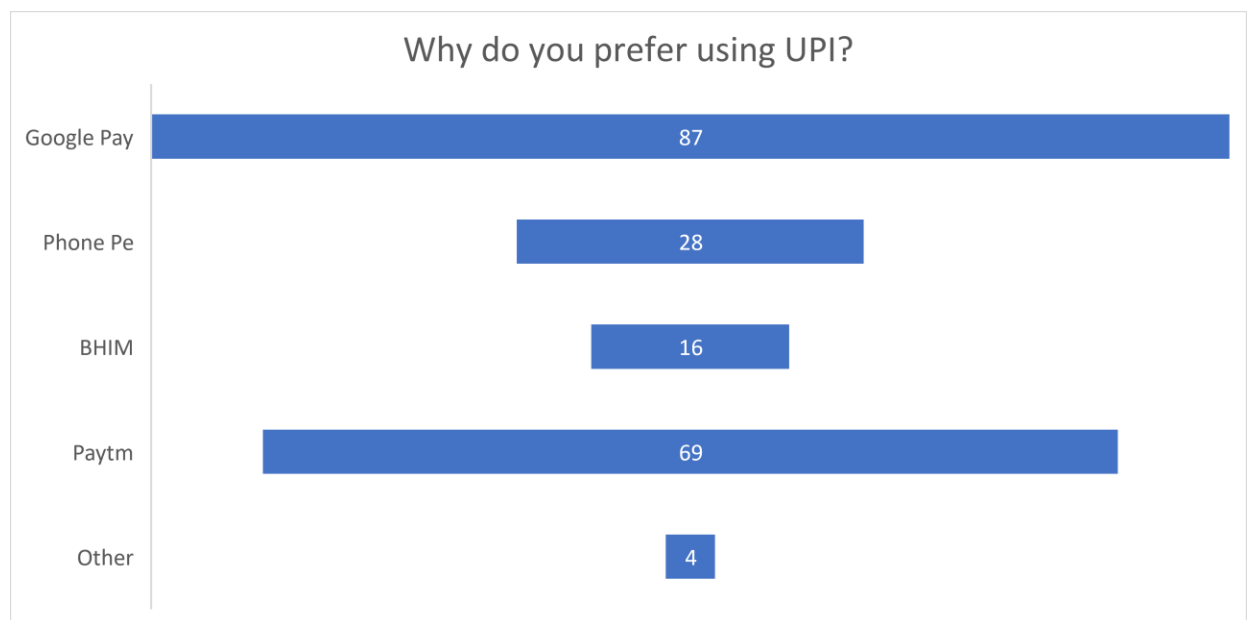
From the above table and chart, we can interpret that 102 (90.1%) respondents are aware about UPI and UPI based app only a few respondents, that is 7 (6.3%) are not aware or not at all heard about the UPI. This can be improved by more advertisements and more offers.

**TABLE 7 UPI OR MOBILE WALLETS**

Response	Frequency	Percentage
UPI	56	50.0
Mobile wallets	10	8.9
Both	46	41.07
Total	112	100

From the above results shown through table and chart, it can be interpreted that 56 (50%) respondents use UPI for their daily to transactions and only 10 (8.9%) respondents use Mobile wallets and the rest of 46 (41.07%) respondents use both UPI and Mobile wallets for their day to day transactions.

**Chart 1 UPI based applications**



**Source: Primary data**

The above chart interprets that most of the respondents use Google Pay and Paytm for the transactional needs. Various applications like Phone Pe, BHIM and Amazon Pay are also used among the respondents of this survey. This shows how largely UPI has influenced the students to use digital payment services.

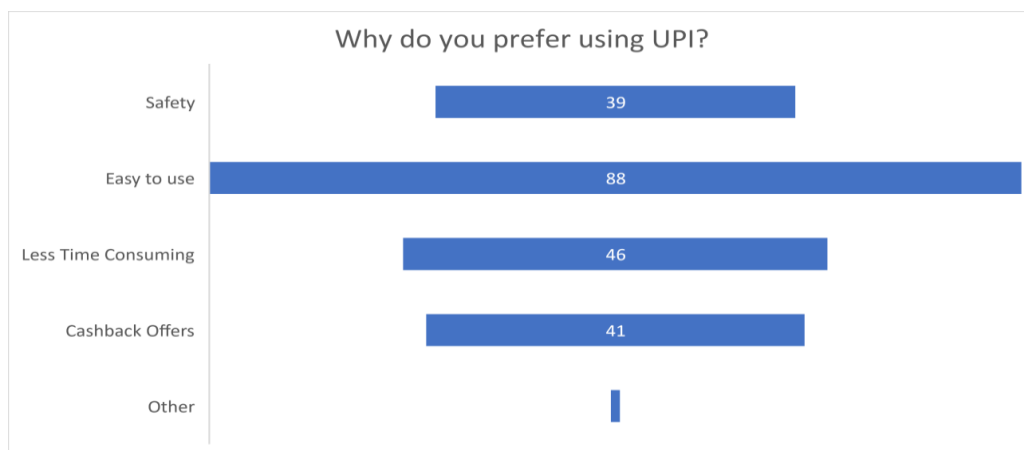
**Table 8 USAGE OF UPI BY THE RESPONDENT**

Response	Frequency	Percentage
Very high	22	19.6
High	34	30.4
Moderate	37	33
Less	8	7.1
Very less	11	9.8
Total	112	100

**Source: Primary data**

Considering the growing demand of mobile phones and increasing digitalization of almost everything the students also uses UPI as their daily application for various financial transactions. Around 93 (83.03%) of the respondents are using UPI very frequently for their day to day transactions.

**CHART 2 PREFERENCE OF USING UPI**



**Source: Primary data**

From the above chart it is interpreted that almost everyone prefers use UPI due to its easy to usability. Other advantages of UPI that draws the students towards using it are its cashback offers, safety and less time-consuming capability. The cashback feature is more widely talked feature of UPI that is making it one of the wanting interface of transferring money. This feature is also abandoning the previously used mobile wallets and IMPS features.



**TABLE 9 TRANSFER OF MONEY**

Response	Frequency	Percentage
1-250	27	24.1
250-500	31	27.7
500-1000	27	24.1
1000 and above	27	24.1
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

This table interpret that the majority of students transfer amount between 250-500 Rupees. 1-250, 500-1000, and 1000 and above are also transferred using UPI among students in equal basis. That is the students mainly use the money transfer feature of UPI for transferring money between their friends and family members.

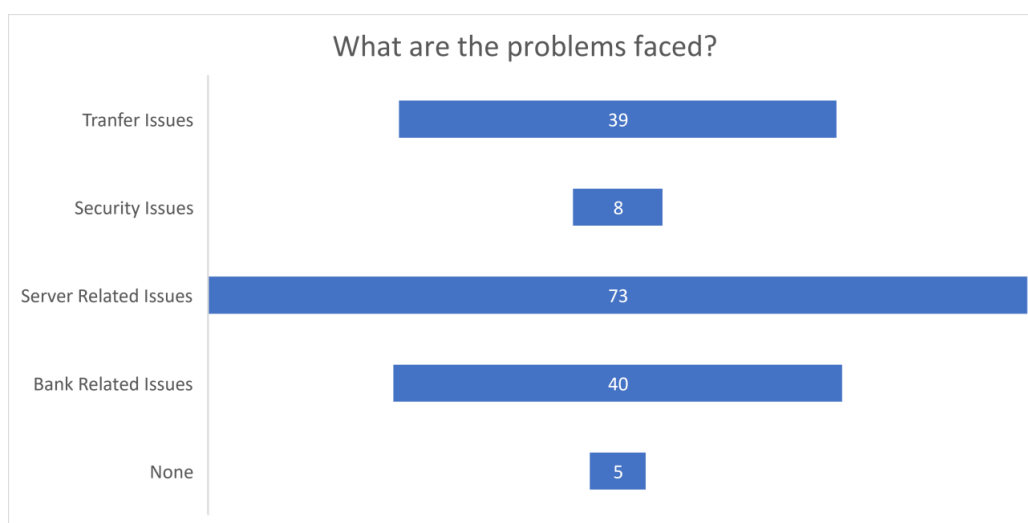
**Table 10 Problems faced by UPI**

Response	Frequency	Percentage
Yes	74	66.1
No	38	33.9
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

Most of the respondents have not faced any problems while using UPI that is 74 (66.1%) respondents. While 38 (33.9%) respondents have faced some issues while using UPI. These problems can be any like network issues, security issues or any other.

**CHART 3 PROBLEMS FACED WITH UPI**



Source: Primary data

The above chart shows that most of the respondents faced server related issues like temporary failures, network failures etc. Other problems faced majorly are transfer issues which are due the same server issues. Other issues includes security problems and bank related problems.

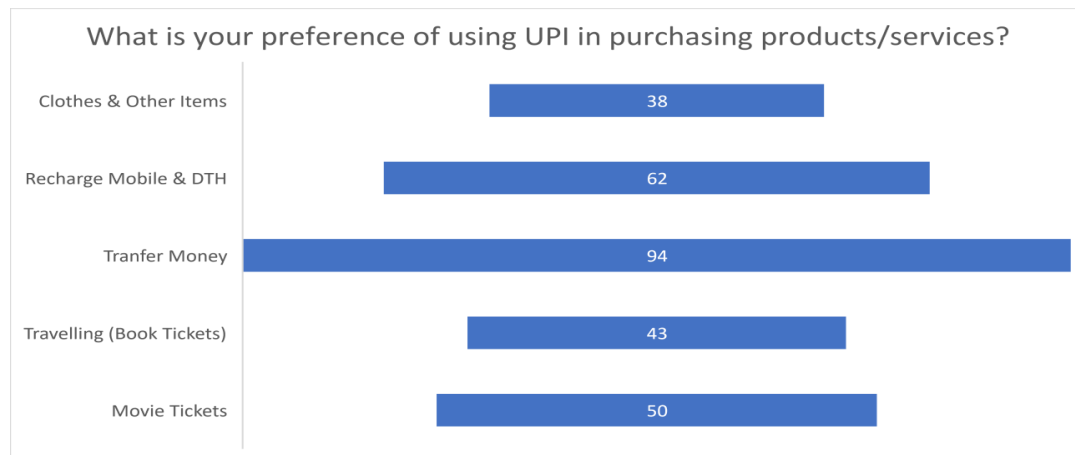
**Table 11 Opinion of the UPI safety**

Response	Frequency	Percentage
Very high	18	16.1
High	39	34.8
Moderate	44	39.3
Less	8	7.1
Very less	3	2.7
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

57 (50.8%) respondents feel safe while using UPI, that is half of the respondents feel safe using UPI. 44 (39.3%) respondents feels moderately safe by using UPI and the rest of 11(9.8%) does not feel safe while using UPI.

**CHART 4 PREFERENCE OF USING UPI IN PURCHASING**



Source: Primary data

Majority of the respondents use UPI for the transfer of money among their friends and relatives, this is due to its ease to transfer feature as it is secure and is bank to bank transfer. Then the respondents use UPI mainly for recharging mobiles and DTH and to book movie tickets. The rest use it for booking travel tickets and buying clothes and other

important items for their today need. As the study is done among the students they use this almost all the time because it avoids the trouble of taking wallets with them.

**Table 12 Is UPI service convenient**

Response	Frequency	Percentage
Extremely Useful	29	25.9
Very useful	66	58.9
Somewhat Useful	15	13.4
Not so useful	1	0.9
Not at all useful	1	0.9
<b>Total</b>	<b>112</b>	<b>100</b>

**Source: Primary data**

Almost over 90 respondents feel the services of UPI very safe and will continue to use it almost all the time they need to. Only a few of 2 respondents does not feel UPI convenient. This may be due to their misconceptions of security reasons and many more. This can be solved with a very effective awareness among the students.

**TABLE 13 SATISFACTION OF THE USAGE OF UPI**

Response	Frequency	Percentage
Very satisfied	31	27.7
Satisfied	59	52.7
Neutral	21	18.8
Unsatisfied	1	0.9
Very Unsatisfied	0	0
<b>Total</b>	<b>112</b>	<b>100</b>

**Source: Primary data**

The above table and chart denotes that 90 (80.3%) respondents are very much satisfied by using UPI. The rest 21 (18.8%) respondents have a neutral feelings about using UPI. And only a single respondent feels very unsatisfied by using UPI.

**Table 14 Usage of UPI in future**

Response	Frequency	Percentage
Very likely	47	42
Likely	51	45.5
Neither likely nor unlikely	11	9.8
Unlikely	3	2.7
Very unlikely	0	0
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

98 (87.5%) of the respondents are very likely to use UPI in future for their daily transactions, while 11 (9.8%) respondents are still confused about using UPI in future. The other 3 (2.7%) respondents out of 112 are not at all willing to use UPI in the future. This is may be due to various reasons like server issues, security issues and many more.

**Table 15 SUGGESTS UPI TO OTHERS**

Response	Frequency	Percentage
Very likely	40	35.7
Likely	59	52.7
Neither likely nor unlikely	12	10.7
Unlikely	1	0.9
Very unlikely	0	0
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Primary data

From the above table and chart, we can interpret that only 99 (88.3%) respondents are interested to suggest and recommend UPI to others and the remaining 13 respondents are not interested to suggest UPI to others.

## FINDINGS OF THE STUDY

- Most of the users of the UPI are between the age group of 20-22.
- Usage of UPI is high in males compared to females.
- Under graduates uses UPI more when compared to post graduates and research

scholars.

- Most of the respondents have accounts in State Bank of India & City Union Bank.
- From the data collected the respondents says that private banks provide more facilities compared to government banks.
- Out of 112 respondents only 60 are fully aware about UPI, 42 are partly aware and remaining respondents are not at all aware about it.
- Most of the respondents uses UPI compared to Mobile wallets and a handful of other respondents use both UPI and mobile wallets. This is due to the integration of UPI in mobile wallet applications recently.
- UPI based applications like Google pay and Paytm are mostly used by the respondents and other applications like Phone Pe, Amazon pay are used by few respondents. BHIM the application developed by NPCI is far behind due to continuous crashing of the application
- UPI is used frequently to do day to day transactions by students.
- Special features like cash back offers and less time consuming attracts the students to use UPI.
- Majority of the students transfers 250-500 rupees via UPI to others. As students does not have large transaction needs.
- The main problem faced by the respondent students are server related issues, that is the message of transfer processing is shown on the screen. Among other issues are the issue with the BHIM application as the application keeps on crashing while using it.
- More than half of the respondents feel safe to use UPI based applications.
- As this study is conducted among students, they use UPI mainly to transfer money, recharge mobiles and to book movie tickets. This is mainly due to the cash back offers provided by these applications to its users.
- More than 80 percent of the respondents feels that UPI services are convenient to use.
- Most of the respondents are satisfied by using UPI and others have neutral feelings.
- 90 percent of respondents says that they will use UPI in future.
- Most of the respondents are interested in suggesting and recommending UPI to others.
- The main problem in using UPI is server related issues and failure in UPI application suddenly while making transactions.

## SUGGESTIONS OF THE STUDY

- Reduce the server issues and application issues may help to increase the users of UPI.
- Conducting awareness programs also helps to increase the customers.
- Reward should be improved then the people may suggest and recommend to others.
- UPI should come up with attracting offers like cash backs on bookings and other payments.
- Usage of UPI is less in women, it can be increased by conducting awareness programs in women's colleges.
- Most of the people are not aware about UPI. So, the UPI should create awareness among the people through advertisements and awareness programs.
- UPI should be able to use in e-commerce sites like Amazon and Flipkart. As this feature is introduced recently this is not aware among the students.
- UPI should concentrate on new methods that can help the illiterates understand about using UPI.
- Internet connections should be made stronger in many areas.
- Awareness campaign towards digital literacy should be made as many people gets cheated in some or the other way.

## CONCLUSION

From the above study we can conclude that the UPI will make way to digital transaction in a very large scale. Young minds of India that is the students are using UPI for their daily transactions so gradually every individual will start adopting this soon. With proper awareness and proper education even the use of UPI will increase in among the females too. Another way to increase the customer base is through providing a more reward system. The server related issues should be fixed with immediate effect or else UPI might lose its potential users and this will regard in the downfall of the interface. From this we can conclude that UPI is feasible compared to the mobile wallets.

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