

# Impact of Unified Payment Interface System on Customer Satisfaction and Role of National Payment Corporation of India in Promoting Digital Transactions

I. N. Suresh Kumar<sup>1</sup>, Suseela Menon<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Commerce, Bharathiyar University, Coimbatore, India

<sup>2</sup>Research Guide, Department of Commerce, Bharathiyar University, Coimbatore, India

**Abstract:** National Payment Corporation of India (NPCI) is the organization, which is promoting all retail payment and settlement functions. It was founded in 2008 and promoted by Reserve Bank of India (RBI). Unified Payment Interface (UPI) and Bharat Bill Payment System are the most important services rendered by National Payments Corporation of India. Unified Payment Interface is the real time interbank payment system for monetary transactions. The UPI system is integrated with more than 120 banks India. Consumers can participate in this facility and also fund can be transferred by various methods. These methods include virtual payment address, account number and IFSC dealings, QR code etc. The researcher aims to assess the impact of Unified Payment Interface System on customer satisfaction. The researcher also focuses on the role of National Corporation of India in promoting digital transactions.

**Keywords:** Unified Payment Interface.

## 1. Introduction

National Payment Corporation of India is the most important institution which accelerates the financial payments and channelizing various financial services. Ten promoter banks are regulating the functions of national payment corporation of India. The promoter banks are SBI, Canara Bank, Punjab National Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, Citi Bank, HDFC Bank and HSB. Unified payment interface (UPI) and Bharat bill payment system are the most important services rendered by national payments corporation of India. Several UPI products helps to the financial transactions like collect request and pay requests. It also facilitates for some non-financial services such as mobile banking registration, generate one-time password set PIN and raise queries. The system provides instant payments through mobile and other internet. It also facilitates more secure and convenient payment service for both sender and receiver channels. UPI Allow banks and other players to innovate and offer a next level customer experience to make the electronic payments more secure for using. Bharat bill payment system is the major service area of national payment corporation. It is a

RBI conceptualised system and one stop ecosystem for bill payment, providing an accessible any time anywhere bill payment service to every customers. The system provides reliability, safety and convenience to customers. While considering the above aspects it is clear that such an organization play an important role in Indian financial system. This study focused on customer perception towards UPI services and also made an attempt to analyse the problems of customers regarding the usage of UPI services.

## 2. Objectives of the study

- To analyse customer perception towards various aspects of UPI.
- To understand the relationship between UPI aspects and customer satisfaction.
- To identify the major problems faced by customers regarding UPI service access.

## 3. Research methodology

The study follows descriptive and Empirical research methods. Both primary and secondary data are used in the study. The primary data was collected through questionnaire as a research instrument. Secondary data was collected from academic journals and books and websites. The sample size taken for the purpose of the study is 90 online banking customers. Simple random sampling is used as sampling technique and the study is conducted at Coimbatore city. Chi square test, t test, ANOVA and correlations are used for data analysis.

## 4. Review of literature

Somanjoli Mohapatra (2017) studied that the single interface across all NPCI systems besides creating interoperability and superior customer experience. The Unified payment interface seeks to make money transfers more easy, and quick. The wide expansion in the usage of smart phones, the availability of an

online verifiable identity, universal access to banking and the introduction of biometric sensors in phones will continuously encourage electronic payment systems for ushering in a less-cash society in India. The study also tries to explore the role and importance of UPI services in the digital Era.

Bijin Philip (2019) made a study on impact of UPI on customer satisfaction. The study focused on to identify the customer preference towards unified payment interface and analyse the impact of UPI services on satisfaction of the customers. Findings revealed that t customer has a positive attitude towards unified payment interface services and functions and there is positive relationship between education of the respondents and usage of UPI services. Educated person are more inclined to use the UPI services and they encourage more peoples in the adoption and usage of UPI services.

Ravish Rana (2017) studied adoption of digital payment and influence on the education level of the customers. If a person has studied beyond matriculation and internet survey, he or she will be inclined to use the digital payment mode and digital operations. The study founded that in the areas where education level is high such as Delhi NCR and other metropolitan cities, the possibility of acceptance of digital payment is much higher than rural and semi urban areas. The growth of users of Smartphone and internet accessibility in such area also facilitated the adoption of digital payment and much more penetration in the usage of such services.

### 5. Analysis and interpretation

#### A. Chi-square test

H0: There is no association between gender of the respondent and perception on UPI uses.

Table 1  
Association between gender and perception on UPI uses

Gender	UPI USES	
	Chi-square	significance
	144.62	.000

Source: primary data

Table 1 states the chi-square association between the gender and customer perception on UPI uses. It is inferred from the table gender and perception on UPI uses has significant association with chi-square value 144.62.

#### B. Independent sample t test

H1: There is no association between gender of the respondents and perception on features of UPI services.

Table 2  
Significance difference between gender and perception on features of UPI services

No	Particulars	significance
1	Cost aspects	0.236
2	Safety and security aspects	0.813
3	Accessibility aspects	0.875
4	Convenience aspects	0.001
5	Customer benefit aspects	0.895

Source: primary data

Table 2 states the significance difference on the perception of customers towards various aspects of UPI services based on the gender of the respondents. The P value for each construct is greater than 0.05 except convenience aspects, which indicates the null hypothesis is accepted. Thus there is no significance difference the perception of customers based on their gender and various aspects of UPI services except convenience aspects.

#### C. Correlation analysis

H3: There is no relation between UPI aspects and customer satisfaction.

Table 3  
Relation between UPI aspects and customer satisfaction

Dependent variable	Independent variable	Pearson correlation	significance
Customer satisfaction	Cost aspects	.550	.000
	Safety and security aspects	.647	.000
	Convenience aspects	.644	.000
	Accessibility aspects	.559	.000

Table 3 portrays the correlation between the dependent variable customer satisfaction and independent variable UPI aspects. Customer satisfaction has shown highest significant relation with P value .000.

#### D. Mean ranking

Table 4  
Challenges faced by customers regarding UPI services

Challenges	Mean	Mean rank
Lack of e- literacy	3.48	1
Complexity in operation	3.12	2
Online privacy issues	3.02	3
Technological issues	2.68	4

Source: primary data

From the above table it was clear that lack of e literacy is the major challenge faced by customers with mean 3.48 followed by complexity in operation. Technological issues are the least ranked challenge with a mean score of 2.68.

### 6. Findings of the study

- Gender of the respondents and use of UPI services are closely associated.
- Majority of the respondents are aware about the benefits of UPI services.
- There is a no significant difference in the opinion of features of UPI services except convenience aspects based on gender of the respondents.
- Dimensions of UPI services and customer satisfaction are closely related.
- Majority of the respondents agree with Lack of e literacy and complexity in operation is the most important problems related with UPI services.

### 7. Suggestions

- UPI is giving benefits like cash backs, discounts etc. Government should invest in “How to be a cashless” in form of seminars or TV advertisement.
- In India there is lack of internet connectivity in rural areas and some parts of urban areas. Government should invest in providing high speed internet and accessibility in low cost. If internet connectivity will increase, then online fund transfer will also increases.
- Government should conduct more awareness programs for online and banking customers regarding various services offered by NPIC such as UPI, Bharat bill payment system etc.
- E-literacy campaigns should be implemented for removing the problems faced by customers while using such services.

### 8. Conclusion

In this study made an attempt to understand the perception of the customers towards UPI services and tries to identify the relationship between UPI service aspects and customer

satisfaction. From this study it is clear that customer has a positive attitude towards unified payment interface services and there is relationship between various aspects of UPI services and customer satisfaction. Some of the problems faced by customers while using UPI services are also identified from this study. Government should conduct more awareness programs for online and banking customers regarding various services offered by NPIC.

### References

- [1] Gochhwal, R, “Unified Payment Interface-An Advancement in Payment Systems.”
- [2] Radhika Basavaraj Kakade, P. N., “Unified Payment Interface (UPI) - A Way Towards Cashless,” International Research Journal of Engineering and Technology (IRJET).
- [3] Radhika Basavaraj Kakade and Nupur A. Veshne (2017), Unified Payment Interface (UPI) - A Way Towards Cashless Economy. International Research Journal of Engineering and Technology (IRJET). 4, 11, 762 – 766.
- [4] Shamsheer Singh, “Study of Consumer Perception of Digital Payment Mode,” Journal of Internet Banking and Commerce. 22, 3, 1-13, Dec. 2017.