A Study on the Impact of Upi on Cashless Transactions

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Abstract—**This study examines the impact of the Unified Payments Interface (UPI) on cashless transactions in India. It focuses on consumer awareness, usage patterns, satisfaction, and the factors influencing UPI adoption. The findings show that UPI has made digital payments faster, easier, and more convenient for users. It has also reduced dependence on cash and encouraged the growth of cashless transactions. However, challenges such as cyber fraud, internet connectivity, and digital literacy still affect its usage. Overall, the study concludes that UPI has played a significant role in strengthening India's digital payment system.**

I. INTRODUCTION

India has witnessed a rapid shift from cash-based transactions to digital payments in recent years. The introduction of the Unified Payments Interface (UPI) has made money transfers faster, easier, and more secure. UPI allows users to make instant payments using their mobile phones at any time. The increasing use of smartphones, affordable internet, and government initiatives has encouraged people to adopt digital payments. UPI is widely used for shopping, bill payments, money transfers, and online purchases. It has reduced dependence on cash and improved the convenience of financial transactions. Despite its growth, challenges such as cyber fraud and internet connectivity still exist. This study examines the impact of UPI on cashless transactions and its role in promoting digital payments in India.

II. LITERATURE REVIEW

1. Sahoo, D. K., Patnaik, B. C. M., &Satpathy, I. (2024)Adoption of Unified Payment Interface (UPI) The study reviewed previous research on UPI adoption in India. It found that UPI has become popular because it is easy to use, secure, and convenient. Government support has also helped increase its adoption. The study concluded that UPI has improved financial inclusion and reduced the use of cash.

2. Rahim, M. R., Rabbani, M. R., Uddin, F., & Shaikh, Z. H. (2024) Adoption of UPI among Indian Users: Using Extended Meta-UTAUT ModelThis study examined the factors influencing UPI adoption among Indian users. It found that usefulness, ease of use, trust, and good digital infrastructure encourage people to use UPI. Behavioural intention also plays an important role in regular usage.

3. Mandal, T. (2024)Adoption of UPI and Implementation of UPI-ATM in India: A Logit AnalysisThe study analysed factors affecting UPI adoption and the possibility of UPI-enabled ATMs. It found that digital literacy and access to technology increase UPI usage. Urban users adopt UPI more than rural users. The study suggested improving awareness and digital infrastructure.

4. Chauhan, Y., & Sharma, P. (2024)
A Systematic Literature Review of Digital Payments. This study reviewed research on digital payment systems. It found that security, convenience, trust, and government support are the main reasons for digital payment adoption. The authors recommended more research on consumer behaviour and security issues.

5. Goyat, S., & Nandal, V. (2024)
Trend and Growth Rate Analysis of Unified Payment Interface (UPI). The study analysed UPI transaction growth from 2016–17 to 2023–24. It found that smartphone use, affordable internet, and government initiatives have increased UPI adoption. The study concluded that UPI is the backbone of India's digital payment system.

6. Kuriakose, A., &Sajoy, P. B. (2023)
Strategies and Challenges of Unified Payment Interface: Towards Facilitating a Digital Payments System in India. This study discussed both the growth and challenges of UPI. It found that government support and technology have increased UPI usage. However, cyber fraud, poor internet, and low digital literacy remain major challenges. The study recommended improving security and digital awareness.
7. Mathew, S. M., Shanimon, S., Joseph, S., & Abraham, M. (2024)
Exploring the Exponential Growth of UPI in India: A Study on Digital Payment Transformation (2016–2024)
The study examined the rapid growth of UPI over eight years. It found that smartphone usage, government policies, and the COVID-19 pandemic increased digital payments. The study concluded that UPI has become an important part of India's digital economy.

8. Singh, S., Shukla, S., & Mishra, S. (2024)
Digital Payments: India's Dominance in UPI Sector. This study explained how UPI has made India a leader in digital payments. It highlighted benefits such as speed, security, convenience, and low transaction costs. The study also mentioned challenges like cyber risks and digital awareness but concluded that UPI has strengthened financial inclusion.
9. Mandal, T. (2024) Adoption of UPI and Implementation of UPI-ATM in India: A Logit Analysis. This study again examined the adoption of UPI and UPI-enabled ATMs. It found that people with better digital literacy and technology awareness are more likely to use UPI. The study suggested awareness campaigns and better infrastructure to increase adoption.
10. Dev, H., Gupta, R., Dharmavaram, S., & Kumar, D. (2024) From Cash to Cashless: UPI's Impact on Spending Behavior Among Indian Users and Prototyping Financially Responsible Interfaces. This study examined how UPI has changed consumer spending behaviour. It found that the convenience and speed of UPI encourage frequent digital payments. The authors also suggested adding features to help users manage their spending more effectively.

III. STATEMENT OF THE PROBLEM

The Government of Karnataka has introduced schemes like Shree Shakti and Udyogini to improve women's financial inclusion and economic empowerment. However, many women in the Kalyana Karnataka region are not fully aware of these schemes or face difficulties in getting their benefits. Because of this, their access to banking, loans, self-employment, and financial independence remains limited. Hence, this the study proposes to understand how these schemes are helping women and identify the challenges in their implementation and use.

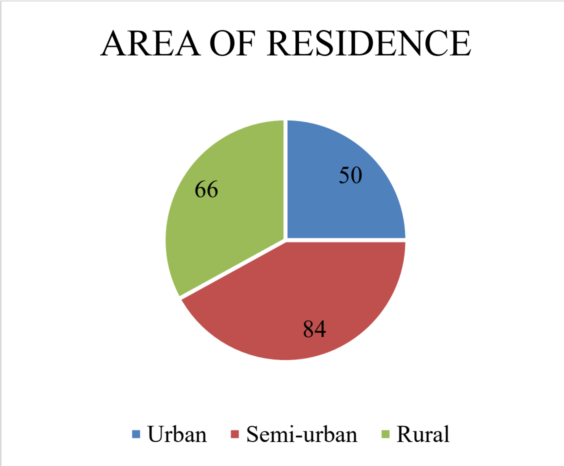
IV. OBJECTIVES

1. To study the impact of UPI on cashless transactions in India.
2. To identify the factors influencing the adoption of UPI among consumers.
3. To analyse the impact of UPI on the growth of cashless transactions.
4. To identify the challenges faced by consumers while using UPI.

V. RESEARCH METHODOLOGY

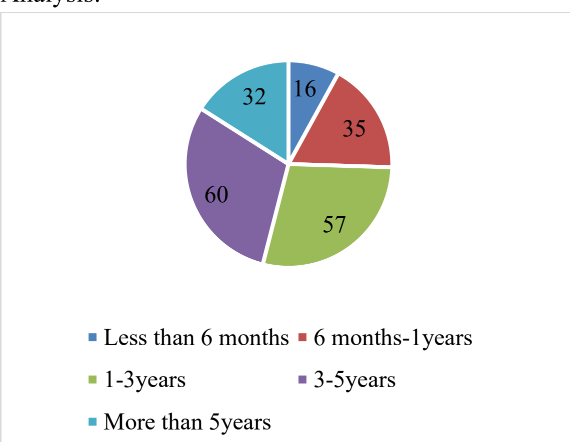
- Research Design: Descriptive Research
- Research Approach: Quantitative Research
- Source of Data: Primary data collected through a structured questionnaire
- Sampling Technique: Convenience Sampling
- Sampling Unit: Individuals using UPI applications for digital payments
- Sample Size: 200 respondents
- Area of Study: India
- Data Collection Tool: Structured Questionnaire
- Tools for Data Analysis: Percentage Analysis, Frequency Distribution, Bar Charts, Pie Charts.

Data Analysis and Interpretation
4.6 Area of Residence
Analysis:



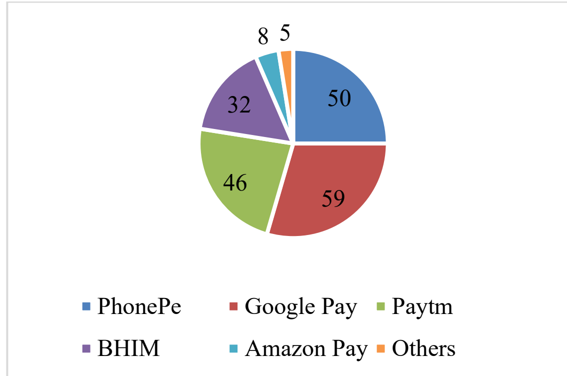
Interpretation:
The chart shows that respondents belong to different residential backgrounds, including urban, semi-urban, and rural areas. A larger proportion of responses are from urban and semi-urban areas, representing that UPI adoption is more prominent where internet connectivity, banking facilities, and smartphone usage are relatively better.

4.7 How long have you been using UPI?
Analysis:



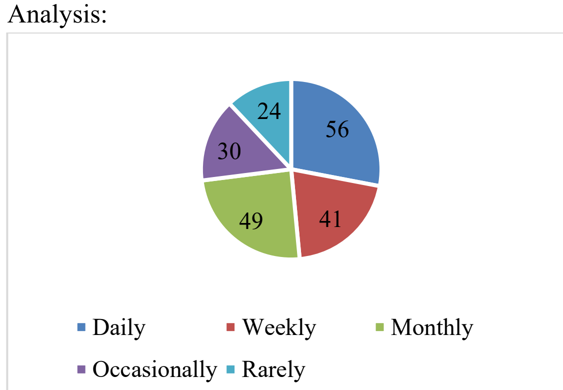
Interpretation:
The data saysthat the majority of population have been using UPI for a considerable period, indicating that digital payment systems have become an integral part of their daily financial activities. Most responses have experience using UPI for more than one year, reflecting growing confidence and familiarity with digital payment applications. Only a small proportion of respondents are recent users, suggesting that UPI has already achieved widespread acceptance among consumers.

4.8 Which UPI application do you use most frequently?
Analysis:



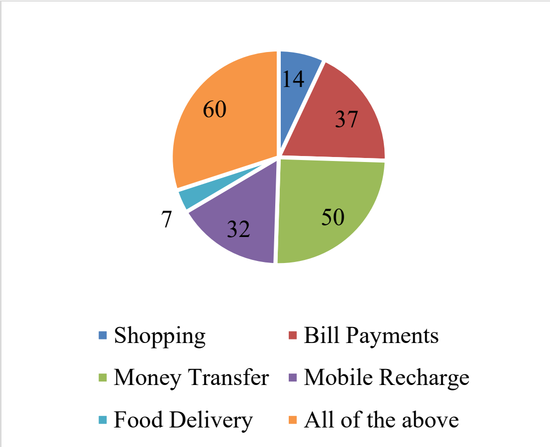
Interpretation:
The above chart indicates that out of 200 respondents, 59 respondents (29.5%) use Google Pay most frequently, making it the preferred UPI application. This is followed by PhonePe, which is used by 50 respondents (25%), while Paytm is preferred by 46 respondents (23%). BHIM is used by 32 respondents (16%), whereas Amazon Pay and other UPI applications are used by 8 respondents (4%) and 5 respondents (2.5%), respectively.

4.9 How often do you use UPI?
Analysis:



Interpretation:
The chart shows that 56 respondents (28%) use UPI daily, making it the largest category of users. 49 respondents (24.5%) use UPI monthly, while 41 respondents (20.5%) use it weekly. In addition, 30 respondents (15%) reported using UPI occasionally, and only 24 respondents (12%) use it rarely. These findings representsthat a important proportion of responses rely on UPI for their regular financial transfer.

4.10 What do you mainly use UPI for?
Analysis:

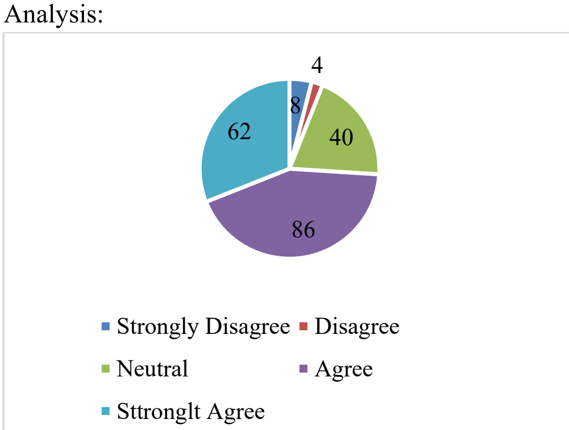


Interpretation:

The findings show that 60 respondents (30%) chose "All of the Above." they use UPI for various purposes such as shopping, bill payment, money transfer, mobile recharge, and food delivery. Among individual purposes, Money Transfer is the most common, with 50 respondents (25%), followed by Bill Payments with 37 respondents (18.5%), Mobile Recharge with 32 respondents (16%), Shopping with 14 respondents (7%), and Food Delivery with 7 respondents (3.5%). This is an indication for uspi being flexible enough to meet various customers' requirements through its services as well.

4.11 UPI is easy to use.

Analysis:

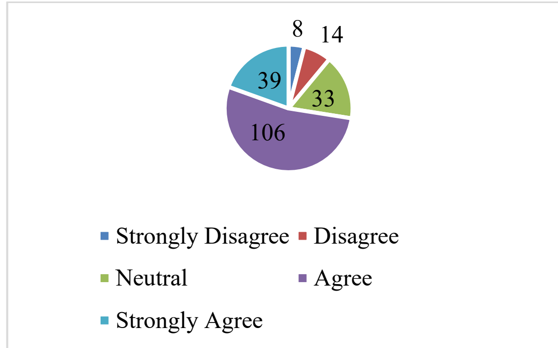


Interpretation:

From the bar chart below, 43% (86) of the respondents agrees that UPI is easy to use while 31% (62) strongly agree that UPI is easy to use. 20% (40) of the respondent were neutral in opinion. Lastly, only 4% (8) of respondents strongly disagreed, and 2% (4) disagreed with the opinion that UPI is easy to use.

4.12 UPI transactions are completed quickly.

Analysis:

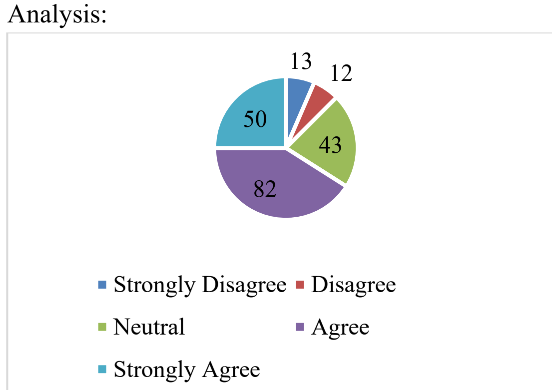


Interpretation:

The data reveals that 106 respondents (53%) agreed and 39 respondents (19.5%) strongly agreed that UPI transactions are completed quickly. In contrast, 33 respondents (16.5%) expressed a neutral opinion, while 14 respondents (7%) disagreed and 8 respondents (4%) strongly disagree. This indicates that nearly three-fourths of the population believe that UPI provides fast and efficient payment services.

4.13 UPI has reduced my dependence on cash.

Analysis:

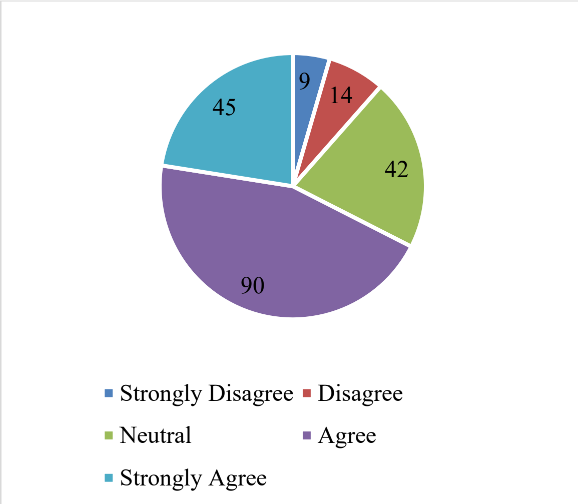


Interpretation:

From the graph given above we can see that 41% respondents out of the total 200 (i.e. 82 respondents) agreed and 25% (50 respondents) of the total number agreed strongly that the usage of UPI has eased their necessity of using cash. It is also inferred from the graph that 21.5% (43 respondents) had a neutral outlook whereas 6% of people (12 respondents) disagreed with the statement and another 6.5% (13 respondents) disagreed strongly from the above statement, thereby concluding that a major number of responses has changed from the old concept of cash to the new digital mode of payments.

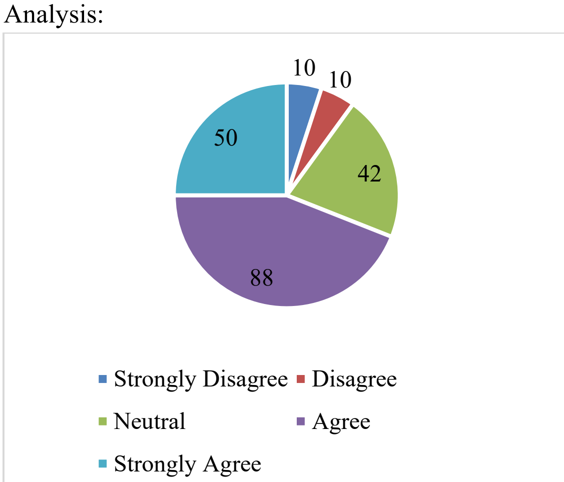
4.14 UPI is available whenever I need it.

Interpretation:

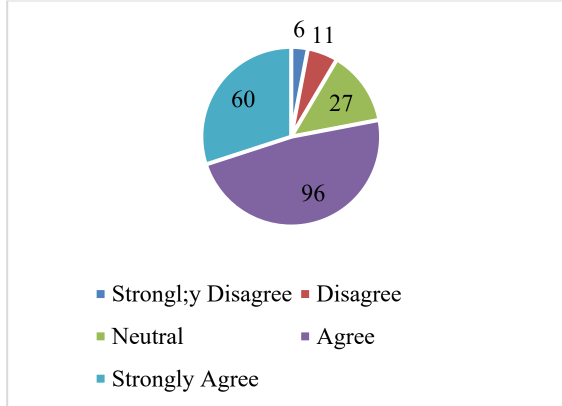


Interpretation:
The above shown that 90 respondents (45%) agreed and 45 respondents (22.5%) strongly agreed that UPI is available whenever they need it. Further, 42 respondents (21%) remained neutral, while 14 respondents (7%) disagreed and 9 respondents (4.5%) strongly disagreed. This indicates that most responses consider UPI to be a reliable payment system that is easily accessible whenever required.

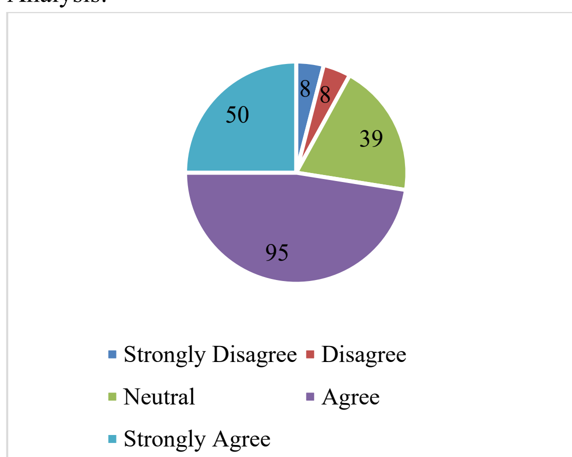
4.15 I trust the security of UPI transactions.
Analysis:



Interpretation:
The chart reveals that 88 respondents (44%) agreed and 50 respondents (25%) strongly agreed that they trust the security of UPI transactions. Meanwhile, 42 respondents (21%) expressed a neutral opinion, whereas 10 respondents (5%) disagreed and 10 respondents (5%) strongly disagreed.
4.16 I feel safe while making payments through UPI.
Analysis:

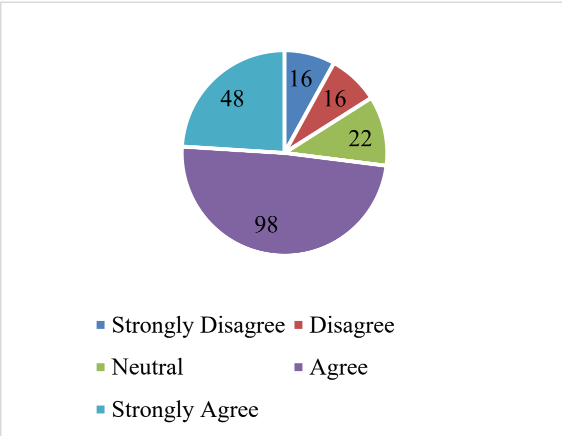


Interpretation:
The above chart indicates that out of 200 respondents, 96 respondents (48%) agreed and 60 respondents (30%) strongly agrees that they feel safe while making payment through UPI. On the other hand, 27 respondents (13.5%) remained neutral, while 11 respondents (5.5%) disagreed and 6 respondents (3%) strongly disagrees with the statement. The findings reveal that a large number of respondents have confidence in the security of UPI transactions.
4.17 UPI has made my daily financial transactions more convenient.
Analysis:



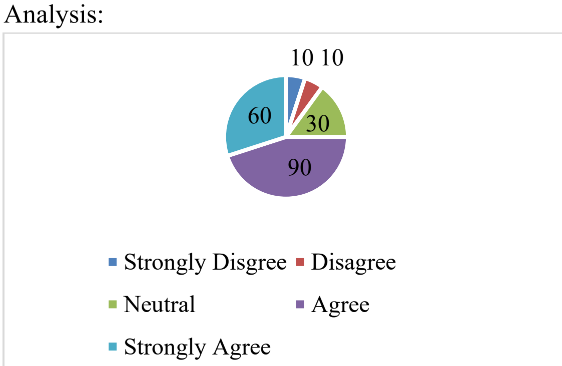
Interpretation:
The chart shown that 95 respondents (47.5%) agreed and 50 respondents (25%) strongly agreed that UPI has made their daily transactions more convenient. Meanwhile, 39 respondents (19.5%) remained neutral, whereas 8 respondents (4%) disagreed and 8 respondents (4%) strongly disagreed. The findings clearly indicate that most respondents consider UPI an effective and convenient payment method for everyday transactions.

4.18 UPI saves my time compared to cash payments.
Analysis:



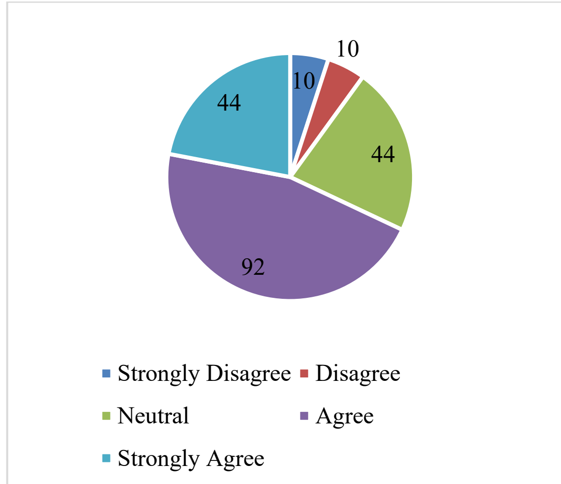
Interpretation:
The above data reveals that 98 respondents (49%) agreed and 48 respondents (24%) strongly agreed that UPI saves time compared to traditional cash payments. Further, 22 respondents (11%) expressed a neutral opinion, while 16 respondents (8%) disagreed and 16 respondents (8%) strongly disagreed. The findings indicate that nearly three-fourths of the respondents believe that UPI enables quicker and more efficient transactions than cash.

4.19 I prefer UPI over cash for most transactions.
Analysis:



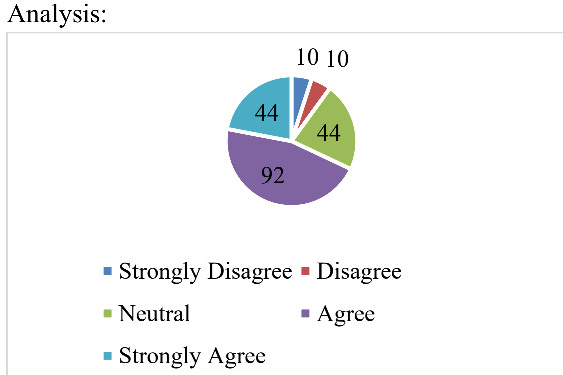
Interpretation:
The chart indicates that 90 respondents (45%) agreed and 60 respondents (30%) strongly agrees that they prefer UPI over cash for most of their transactions. Additionally, 30 respondents (15%) remained neutral, while 10 respondents (5%) disagreed and 10 respondents (5%) strongly disagreed. These findings show that a important majority of respondents have shifted their preference from cash to digital payments because of the convenience, speed, and accessibility offered by UPI.

4.24 I am satisfied with my overall experience using UPI.
Analysis:



Interpretation:
The chart has shown that 92 respondents (46%) agreed and 44 respondents (22%) strongly agreed that they are satisfied with overall experience using UPI. In addition, 44 respondents (22%) remained neutral, while 10 respondents (5%) disagreed and 10 respondents (5%) strongly disagreed. These findings represents that a clear majority of respondents have had a positive experience using UPI services.

4.25 UPI has positively contributed to the growth of cashless transactions in India.
Analysis:



Interpretation:
Figure 5:UPI usage and growth of cashless transaction. The figures obtained in Figure 5 have highlighted that the, 46 % respondents i.e., 92 out of 100, were agree, while 22 % out of 100 i.e. 44 were 'strongly agree' that it can really add a strong boost in the development of cashless transactions in Indian.Furthermore, 44 respondents (22%) expressed a neutral opinion, while 10 respondents (5%)

disagreed and 10 respondents (5%) strongly disagreed.

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