

# A Study on the Factors Influencing the Unorganised Retailers to Adopt Upi Payment System in Thoothukudi District

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## Abstract

Smartphones and the internet have become necessities in the twenty-first century. Notably, technology-driven payment systems will be prevalent in the future; as such, mobile payment systems represent the next big thing in this field. India is witnessing the dawn of a new era of digital currencies as a result of this liquidity shortage. A lot of industry participants have entered the digital payment space and created apps in order to take advantage of fresh opportunities and make enormous profits. The number of people using mobile wallets has increased dramatically. Among the businesses that seized the chance were Paytm, Google Pay, and Phone Pay. The company's extensive marketing plan was successful in reaching even minor merchants, such tea and ice cream vendors, who were picked to serve as the customer's point of contact when they need a cashless payment option. The elements impacting consumers' acceptance or adoption of the mobile payments system are highlighted in this study. With the use of the UPI, this study aims to investigate factors that influence unorganized retailer to adopt UPI. Data collection was done by creating a questionnaire with Google Forms, which was then sent to the intended respondents by email and WhatsApp. 40 replies were gathered and examined for this study prior to thoothukudi district.

**Key words:** UPI, retailer, Mobile Payment, Money.

## Introduction

The government of India created the Unified Payments Interface (UPI), a special platform that facilitates sending and receiving money between two bank accounts via email like VPA or an IFSC on a mobile device. With UPI, customers can connect a number of bank accounts to a single mobile application to transfer money or access other services, creating a virtual bank zone. The Unified Payments Interface (UPI) is currently the most popular payment method in India. Due to the platform's many advantages, retailers all over the country are also using UPI. In order to take payments from their clients for the goods and services they have sold or provided, many merchants will operate on the UPI platform. Large corporations, independent vendors,

and tiny grocery stores all accept payments over the UPI platform these days. As a result, UPI gains popularity as a payment method for both individual consumers and merchants.

## Statement of the Problem

Any business that wants to thrive in the market has to satisfy the needs and wants of its clients. Since satisfying client perceptions leads to customer satisfaction, it is necessary to understand customers' perspectives in order to satisfy them. The primary parties involved in this connection are the customers who use UPI payment methods; the other parties are the companies that handle payments and those who provide UPI. It is incumbent upon both parties to ascertain the driving forces behind customers' decision to

pay with UPI. Thus, the goal of this research is to look at the factors that motivate people to adopt UPI payment methods.

**Objective:**

1. The aim of this study is to examine the demographic profile of the shops
2. The study investigates the variables that motivate them to implement the UPI method of money collection.

**Methodology**

It is an exploratory survey consists 40 samples.

**Sampling:**

Convenience sampling method is used to select the sample.

**Data Collection:**

Structured interview schedule was prepared and the data related to the study was collected with the help of the structured interview schedule.

**Tools of Analysis:**

Percentage, simple and complex tables, Likert score, and rank score are used for analysis.

**Scope of Study:**

The study confines only to the retailers who are accepting UPI payment in Thoothukudi taluk.

**Limitation of Study:**

Since the research was limited to convenience sampling, the reliability and validity of the project is limited. It could not be generalized. The sample size also limited to forty in a high populated thoothukudi Taluk. Even it may be justified by the spend on the study and the resources available for the study is very limited, these are certainly the limitation of the study

**Benefits of UPI payment**

Listed below are some of the benefits of UPI payments that enhance your digital payments experience.

**1. Instant transactions**

You can start making payments instantly after a quick registration process. UPI transactions are inherently instantaneous. They reflect in the recipient's account within seconds. Hence, UPI is a time-saving payment system that enables you to conduct small and high-value payment transactions. The permitted maximum fund transfer amount depends on the daily limit set by the UPI platform and the bank affiliated with the UPI platform.

**2. Promotes a cashless economy**

UPI is a revolution in digital payments that facilitates inter-bank, peer-to-peer, and merchant transfers. It allows you to conduct various financial transactions that occur daily. Since the Transactions are handled digitally, you need not bother with having cash. The cashless facility further prevents the chances of losing physical money.

**3. Rewards and cashback**

Since the popularity of UPI payments, many UPI apps have surfaced in the market. Even mobile banking apps have become UPI-enabled. In a bid to capture your attention, UPI platforms offer rewards and cashback on almost all types of transactions, thus enhancing your savings. While you can redeem discounts on shopping, the UPI platform transfers the cash back amount into your account directly and instantly after the transaction.

**4. Privacy protection**

Most digital payment channels are safe, but they also run the risk of data theft. If you are not careful, you may expose your bank credentials while entering them into the payment gateway. UPI has created a digital payments revolution by eliminating this issue. You merely need to input your bank account details once and set up your UPI PIN for secure transactions.

**5. Transactions through multiple accounts**

Most UPI apps enable you to link multiple bank accounts in one place. The same goes for bank specific payment apps, depending on their terms. This benefit of UPI facilitates convenient access to all your accounts. While you can choose your preferred bank account to make the payments, you must set one account as default for receiving funds.

**Review of literature**

MR.Milind A.Bhuva(2023), “A study on factor influencing the adoption and usage of unified payment interface” in his work, he examined the factors impacting the adoption and use of the universal payment interface (UPI) by iGen in Mumbai.The results showed that although trust had minimal effect on either, perceived usefulness and ease of use were substantial predictors of upi acceptance and adoption among iGen. The paper provides policymakers, financial institutions, marketers, and upi providers with ideas for fostering upi adoption and usage in Mumbai.

Kamalaravana and kaladevi(2022), “ A Study on usage of upi payment service towards merchant in Madurai” they analyze merchant awareness of the UPI payment service in their study.They discovered that the usage of digital payments has grown dramatically, that merchants of all sizes, from little shops to huge retailers, are well aware of it, and that most respondents had never experienced a cyberattack by an upi provider.

DR.Muniraju and swaminath (2019), “ Adoption of E-Wallet by unorganised sector-A Study near shopping area of Bengaluru city south zone” understanding the shift in payment methods from traditional cash payments to e-wallets for all company transactions was the aim of the study.According to the report, merchants in Jayanagar have a different monthly income than those in other areas .They

also recommend that the government implement incentives to raise public awareness of the use of e-wallets in daily life.

**ANALYSIS AND DISCUSSION**

**Table 1**

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AGE	FREQUENCY	PERCENT
Below 30 years	17	42.50
30-50 year	21	52.50
Above 50 year	2	5.00
GENDER	FREQUENCY	PERCENT
Male	31	77.50
Female	9	22.50
EDUCATION QUALIFICATION	FREQUENCY	PERCENT
School level	30	75.00
UG	4	15.00
PG and Above	6	10.00

Source primary data

From the table it is clear that out of 40 respondent ,52.50% of the respondent belongs to age group between 30-50 ,77.50% of the respondent are male.75% of the respondents education qualification is school level study.

**Table 2**

**Area of Business**

Area	No of respondent	PERCENT
Rural	24	60.00
Urban	11	27.50
Semi urban	5	12.50

Source: primary data

Majority (60.00 per cent) of the business are located in urban area, 27.50 per cent of the business are located in rural area and remaining 12.50 per cent of the business are located in semi-urban area.

**Table 3 Area wise Factors Influencing the Retailors to Adopt UPI Payment System**

Statement	Rural		Semi-Urban		Urban	
	Liket Score	Rank	Liket Score	Rank	Liket Score	Rank
UPI is useful for small transactions.	30	3	23	3	53	1
We can use the same UPI ID for all banks and transactions.	24	7	20	6	44	7
The money received through UPI will immediately be credit to bank.	27	5	20	5	47	4
Bank account number and details will not be shared While collection is made.	27	4	11	10	38	8
Easy to receive payments through UPI than other methods of Payments.	26	6	21	4	47	3
No need to ready coins while collecting money through UPI.	22	8	23	2	45	6
No need to go to bank every day for deposit daily collections.	30	2	16	9	46	5
No convenience fee is collected for money in UPI.	17	10	28	1	11	10
Safest mode of digital payment system.	18	9	19	8	37	9
UPI reduces the risk of carrying the cash in night travels.	33	1	19	7	52	2

Source: primary data

Table 3 reveals that Rural area retailer prefer UPI most because „UPI is useful for small transactions“ (Rank 1, Likert Score 33) followed by „UPI reduces the risk of carrying the cash in night travels“ (Rank 2, Likert Score 30), „The money received through UPI will immediately be credit to bank“ (Rank 3, Likert Score 30), „No need to ready coins while collecting money through UPI“ (Rank 4, Likert Score 27), „No need to go to bank every day for deposit daily collections“ (Rank 5, Likert Score 27), „We can use the same UPI ID for all banks and transactions“ (Rank 6, Likert Score 26), „Easy to receive payments through UPI than other methods of Payments“ (Rank 7, Likert Score 24), „No convenience fee is collected for money in UPI“ (Rank 8, Likert Score 22), „Safest mode of digital payment system“ (Rank 9, Likert Score 18) and „Bank account number and details will not be shared While collection is made (Rank 10, Likert Score 17) respectively.

Table 3 reveals that Semi urban area retailer prefer UPI most because „UPI is useful for small transactions“ (Rank 1, Likert Score 28) followed by „UPI reduces the risk of carrying the cash in night travels“ (Rank 2, Likert Score 23), „The money received through UPI will immediately be credit to bank“ (Rank 3, Likert Score 23), „No need to ready coins while collecting money through UPI“ (Rank 4, Likert Score 21), „No need to go to bank every day for deposit daily collections“ (Rank 5, Likert Score 20), „We can use the same UPI ID for all banks and transactions“ (Rank 6, Likert Score 20), „Easy to receive payments through UPI than other methods of Payments“ (Rank 7, Likert Score 19), „No convenience fee is collected for money in UPI“ (Rank 8, Likert Score 19), „Safest mode of digital payment system“ (Rank 9, Likert Score 16) and „Bank account number and details will not be shared While collection is made (Rank 10, Likert Score 11) respectively.

### Findings

1. Majority (77.50 per cent) of the respondents are male
2. Majority (52.50 per cent) of the respondents are 30 years to 50 years old.
3. Majority (75.00 per cent) of the respondents are having school education.
4. Majority (60.00 per cent) of the business are located in urban area.
5. Rural area retailer prefers UPI most because „UPI is useful for small transactions“.

### Suggestions

Details including the bank account number will not be disclosed. The statement "When collection is made" has the lowest Likert score, and the second-least is the safest digital payment method. As a result, relatively few shops in the study region are aware of the UPI's confidentiality regarding the maintenance of bank account information and the safety of transactions made by UPI providers. As a result, UPI suppliers ought to organize campaigns or educational initiatives to inform retailers about the different aspects of UPI.

Retailers are not being encouraged to use the UPI collecting method by the convenience fee that is collected by the UPI. As a result, UPI providers need to reconsider how they collect convenience fees from UPI transactions.

### Conclusion

This study effectively investigated the meaning of UPI payments and the related ideas that consumers and merchants should be aware of before utilizing and offering the UPI payment system. Since digitization has advanced over the past five years, users are more likely to use UPI than conventional financial methods. Consumers expect comprehensive industry safety grades and safety standards for online UPI transactions. The variables encouraging retailers to implement UPI payment systems in their stores were also investigated in this study. These days, every retail location has UPI, with a few exceptions. No technology has ever been adopted by merchants so quickly in the past. This investigation was successful in identifying the adoption's causes.

### References

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