

“A Study of Factors Influencing Adoption and Usage of BHIM UPI as a mode of Digital Payment”

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Abstract

The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. “Faceless, Paperless, Cashless” is one of professed role of Digital India. There are many modes of digital payment like debit/credit card, Net Banking, USSD, Aadhar Enabled payment system (AEPS), Mobile banking BHIM UPI etc. are available for making cashless transactions. Digital transaction through BHIM UPI received a major preference by customer now days for making cashless transactions. The aim of present study is to make focus on customer attitude toward adoption and usage digital payment mode in India specific reference BHIM app. Study also makes focuses on challenges or problems faces by customers while using digital payment mode like BHIM UPI for making digital transactions.

Key Words: UPI ID, BHIM UPI, Digital Payment,

Introduction

After demonetization announced by PM Shri Narendra Modiji there is sharp increase in adoption and usage of digital payment mode. The Payment and Settlement Act, 2007 has defined Digital Payments. As per this any “electronic funds transfer” means any transfer of funds which is initiated by a person by way of instruction, authorization or order to a bank to debit or credit an account maintained with that bank through electronic means and includes point of sale transfers; automated teller machine transactions, direct deposits

or withdrawal of funds, transfers initiated by telephone, internet and, card payment". From small time merchant and shop owner to many more people are using various mode of digital payment for making cashless transactions. The Indian government and Reserve Bank of India have been taking various initiatives to make digital payment more secure and convenient for customers.

BHIM (Bharat Interface for Money) is a mobile payment APP **BHIM (Bharat Interface for Money)** is a mobile payment APP launched by Hon'ble Prime Minister on 30th Dec 2016 developed by the National Payments Corporation of India (NPCI), based on the **Unified Payments Interface (UPI)**. Its currently supports 20 languages (including English), Bharat Interface for Money (BHIM) is a payment app that allows users to make simple, easy and quick transactions using Unified Payments Interface (UPI). People using BHIM UPI can make direct bank payments to anyone on UPI using their UPI ID or scanning their QR and can also request money through the app from a UPI ID. There is no charge for transactions from ₹1 to ₹100,000. The minimum transaction amount is ₹1, and the maximum number of transactions per day is 10. If the 10-transactions-per-day limit has been reached, the user needs to wait for 24 hours from the last transaction before making another transaction.

Pre-requisites for Using BHIM UPI

- Smartphone with Internet connection
- Bank account
- Mobile number linked with your bank account.
- Customer account has to be UPI activated or customer needs to have a debit card.

Services provided by BHIM:

- **Send Money /Request Money.**
- **Scan & Pay.**
- **Switch between multiple Bank Account.**
- **Available in 20Language**
- **Payment Reminders**
- **Bill Pay**
- **Offers**

- **Multilayer Authentication**

REVIEW OF LITERATURE

Anjali R, Suresh A (2019) in the paper "A Study on Customer Satisfaction of Bharat Interface for Money (BHIM)" stated that BHIM application is one of the best move by the government of India for instant bank to bank transaction and it is being accepted and loved by a large number of people in India.

Brahmjot Bagga, Nitin Patidar (2019) in the research paper "Awareness of BHIM App Launched By Government of India" BHIM App is still a new app and new intervention among all. It has the power to influence customers towards paperless transactions & emerge more in future. BHIM app provides you an area for transactions and checking balance updates.

Dinesh M. Kolte, Veena R. Humbe (2019) in the research paper "Study of UPI/BHIM Payment System in India" stated that students are extensively using the 3rd party UPI/BHIM on mobile phones. For students it is a convenient payment system and can be a very useful tool with students for online transactions. This will help students for digital payments without need of any complex mechanism and boost countries economy with transparency.

Rahul Gochhwal (2017) in his paper "Unified Payment Interface—An Advancement in Payment Systems" concluded that UPI has enabled mobile phone to be used as a primary payment device for making and accepting payments. UPI leverages high teledensity in India .

Mrs. Sukanya N, S. Subbulakshmi (2021) in the research paper 'A Study of customer perception with special reference to Chennai City' Customer's are quite satisfied with the service of Unified Payment Interface (UPI) application. The developer has to improvise their service strategies so that customer's expectations can be satisfied. Improvement can be still to be made in the security levels while using the UPI apps. The developer has to give more advertisement through discounts and offers which attract and retain its customer towards the use of the app.

K. Suma Vally and K. HemaDivya.(2018) in the Paper “A study on digital payments in India with perspective of consumers Adoption” conclude that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. This study also give emphasis to the percentage of awareness on maximum utilization of technology. Banks should take effective measure in creating awareness towards the effective usage technology and security.

OBJECTIVES OF THE STUDY

The main objective of the study is to the factors influencing customer attitude towards the adoption and usage of BHIM APP (Bharat Interface for Money)Unified for making cashless transactions.

- To know to the customer behavior towards adoption and usage BHIM APP for making cashless transactions.
- To know the basic features and service provide by BHIM UPI (Bharat Interface for Money Unified Payments Interface) to customer for making cashless transaction.
- To know the convenience, offer provided by BHIM UPI to customer for making more and more digital transactions.
- The study also makes focuses on problem faced by customer while making digital payment.

Hypothesis :

On the basis of review of literature and detailed analysis of subject, it is indeed essential to emphasize the fact that the Indian culture is different from the countries where previous research was conducted. The following hypotheses have been formulated :

1. There is no significant association between greater the experience with using the Internet, the more likely that **BHIM UPI** will be adopted.
2. Innovativeness and awareness has significant impact on adoption of **BHIM UPI** among customers.
3. Trust, Security and privacy has significant impact on adoptionof **BHIM UPI** among customers.

Research Methodology:

The present research is an empirical one. The survey for the present research is conducted through primary data with the help of a questionnaire.

Sample Size: The sample taken for the study consisted of 120 respondents. Out of the 120 respondents 68 are male and 52 female. For data collection random sampling will be adopted on the ground of cost and time effectiveness.

Data Collection:

Since the research is exploratory in nature, the appropriate research strategy had been research survey. The present study is mainly based on the primary data had been collected with the help of structured questionnaire and interview and other relevant data had been collected from some secondary and tertiary sources. Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first form the textbooks, previous research reports, newspapers, magazines and journals.

Result and Analysis**Descriptive analysis of the Respondents**

Table 1: Demographic characteristics of Respondents

Variables		Frequency	Percent (%)
Gender	Male	68	56.7%
	Female	52	43.3%
Age Group	18-25 years	28	23.3%
	26-35 years	48	40.0%
	36-50 years	30	25.0%
	Above 50 years	14	11.7%
Educational Qualification	P.G.	38	31.7%
	U. G.	62	51.6%
	SSC/ 12 th	20	16.7%
Occupation	Service	65	54.2%
	Self employed	35	29.2%
	Others	20	16.6%
Income per month	Up to Rs. 30,000 p.m.	35	29.2%
	Rs. 30,000-50,000 p.m.	52	43.3%
	Above Rs. 50,000 p.m.	33	27.5%

Source: Field Survey

Hypotheses 1: There is no significant association between greater the experience with using the Internet, the more likely that BHIM UPI will be adopted.

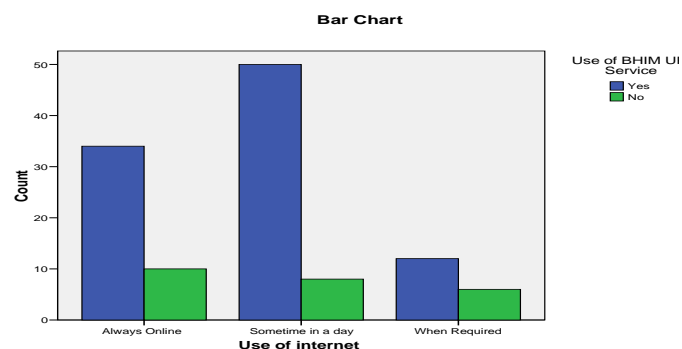
Table 2: Use of internet * Use of BHIM UPI Service Cross-tabulation

			Use of BHIM UPI Service		Total
			Yes	No	
Use of internet	Always Online	Count	34	10	44
		% of Total	28.3%	8.3%	36.7%
	Sometime in a day	Count	50	8	58
		% of Total	41.7%	6.7%	48.3%
	When Required	Count	12	6	18
		% of Total	10.0%	5.0%	15.0%
Total	Count	96	24	120	
	% of Total	80.0%	20.0%	100.0%	

Table 3: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.601(a)	2	.165
Likelihood Ratio	3.480	2	.176
Linear-by-Linear Association	.158	1	.691
N of Valid Cases	120		

a 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.60.



Interpretation :

Results are showing the association between greater the experience with using the Internet, the more likely that BHIM UPI will be adopted. Pearson Chi-Square(X^2) value is **3.601** and the degree of freedom (**df**) is **2**. At the 5 % level of significance the table value is **5.991**.

The result will be reported as: Since the Chi-Square(X^2) value is **3.601 < 5.991** less than the table value, therefore, the above hypothesis is correct or accepted *i.e.* There is no significant association between the variables greater the experience with using the Internet, the more likely that BHIM UPI will be adopted.

In other words we can say that variables are independent of each other i.e. More using the Internet have no impact on adoption of BHIM UPI.

Hypotheses 2: Innovativeness and awareness has significant impact on adoption of BHIM UPI among customers

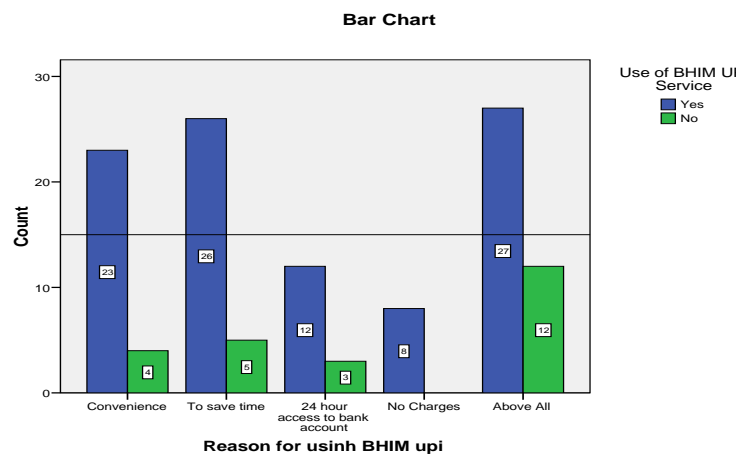
Table 4 : Reason for using BHIM Upi * Use of BHIM UPI Service Cross-tabulation

			Use of BHIM UPI Service		Total
			Yes	No	
Reason for using BHIM Upi	Convenience	Count	23	4	27
		% of Total	19.2%	3.3%	22.5%
	To save time	Count	26	5	31
		% of Total	21.7%	4.2%	25.8%
	24 hour access to bank account	Count	12	3	15
		% of Total	10.0%	2.5%	12.5%
	No Charges	Count	8	0	8
		% of Total	6.7%	.0%	6.7%
	Above All	Count	27	12	39
		% of Total	22.5%	10.0%	32.5%
Total			96	24	120
			80.0%	20.0%	100.0%

Table 5: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.571(a)	4	.234
Likelihood Ratio	6.896	4	.142
Linear-by-Linear Association	2.386	1	.122
N of Valid Cases	120		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 1.60.



Interpretation :

Results are showing the association between Innovativeness and awareness has significant impact on adoption of **BHIM UPI** among customers. Pearson Chi-Square(X²) value is **5.571** and the degree of freedom (df) is **4**. At the 5 % level of significance the table value is **9.488**.

The resulted will be reported as: Since the Chi-Square(X²) value is **5.571 < 9.488** the table value, therefore, the above hypothesis H₂ is correct or accepted i.e. There is no significant association between variables Innovativeness and awareness has significant impact on adoption of **BHIM UPI** among customers.

In other words we can say that variables are independent of each other i.e. Innovativeness and awareness have no impact on adoption of BHIM UPI.

Hypotheses 3: Trust, Security and privacy has significant impact on adoption of **BHIM UPI** among customers

Table 6: Use of BHIM UPI Service * How safe do you think using E-banking services is Cross-tabulation

			How safe do you think using E-banking services is				Total
			Extremely safe	Safe	Not Safe	Neutral	
Use of BHIM UPI Service	Yes	Count	30	61	1	4	96
		% of Total	25.0%	50.8%	.8%	3.3%	80.0%
	No	Count	12	10	2	0	24
		% of Total	10.0%	8.3%	1.7%	.0%	20.0%
Total		Count	42	71	3	4	120
		% of Total	35.0%	59.2%	2.5%	3.3%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.565(a)	3	.036
Likelihood Ratio	8.301	3	.040
Linear-by-Linear Association	1.689	1	.194
N of Valid Cases	120		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .60.

Interpretation :

Results are showing the association between Trust, Security and privacy has significant impact on adoption of **BHIM UPI** among customers. Pearson Chi-Square(X²) value is **8.565** and the degree of freedom (df) is **3**. At the 5 % level of significance the table value is **7.815**.

The result will be reported as: Since the Chi-Square(X²) value is **8.565 > 7.815** the table value, therefore, the above hypothesis H₂ is wrong or not accepted i.e. There is a significant association between Trust, Security and privacy has significant impact on adoption of **BHIM UPI** among customers.

In other words we can say that variables are not independent of each other i.e. Trust, Security and privacy have significant impact on adoption of BHIM UPI.

CONCLUSION

BHIM is a mobile application developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface (UPI). It was launched by Prime Minister Narendra Modi, at DigiDhanmela at Talkatora Stadium in New Delhi on 30 December 2016. It was named after B. R. Ambedkar and is intended to facilitate e-payments directly through banks as part of the 2016 Indian banknote demonetisation and drive towards cashless transactions.

The app supports all Indian banks which use that platform, which is built over the Immediate Payment Service infrastructure and allows the user to instantly transfer money between bank accounts of any two parties. It can be used on all mobile devices. BHIM also allows users to check the current balance in their bank accounts and to choose which account to use for conducting transactions, although only one can be active at any time.

BHIM application allow users to send or receive money to or from UPI payment addresses, or to non-UPI based accounts (by scanning a QR code with account number and IFSC code or MMID (Mobile Money Identifier) Code).

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