Asian Journal of Management and Commerce

Kushal Vaishnav
Undergraduate Students,
Centre for management
Studies, Jain, Deemed to be
University, Bengaluru,
Karnataka, India

Jai K Garg
Undergraduate Students,
Centre for management
Studies, Jain, Deemed to be
University, Bengaluru,
Karnataka, India

Yashvardhan Bishnoi
Undergraduate Students,
Centre for management
Studies, Jain, Deemed to be
University, Bengaluru,
Karnataka, India

Varalakshmi S
Undergraduate Students,
Centre for management
Studies, Jain, Deemed to be
University, Bengaluru,
Karnataka, India

Corresponding Author:
Kushal Vaishnav
Undergraduate Students,
Centre for management
Studies, Jain, Deemed to be
University, Bengaluru,
Karnataka, India

A review of UPI helping business move towards a cashless economy in Bangalore

Kushal Vaishnav, Jai K Garg, Yashvardhan Bishnoi and Varalakshmi S

Abstract
The transformative role of Unified Payments Interface (UPI) in facilitating the transition towards a cashless economy, particularly in Bangalore, India. UPI, a real-time payment system developed by the National Payments Corporation of India (NPCI), has emerged as a pivotal tool for businesses, offering convenience, security, and efficiency in financial transactions. In the context of Bangalore, a burgeoning hub of technology and commerce, the adoption of UPI has accelerated, driven by its user-friendly interface and widespread acceptance. This abstract delves into the multifaceted benefits of UPI for businesses, including streamlined operations, enhanced financial transparency, and broader access to digital payments. Additionally, it highlights the challenges and opportunities associated with the integration of UPI into the local business ecosystem. Through case studies and empirical analysis, the pivotal role of UPI in catalyzing the transition towards a cashless economy in Bangalore, thereby fostering economic growth, financial inclusion, and digital empowerment.

Keywords: Cashless economy digital payment change in habit government initiatives

Introduction
In the bustling city of Bangalore, where innovation thrives and technology sets the pace, a silent yet powerful revolution is underway the transition towards a cashless economy. At the forefront of this transformation stands Unified Payments Interface (UPI), a revolutionary digital payment system that is reshaping the way businesses conduct transactions.

As Bangalore emerges as a global tech hub, its streets are witnessing a gradual but significant shift away from traditional cash transactions. In this transition, UPI is not just a convenient payment method it's a game-changer for businesses, both large and small. With its seamless integration into various digital platforms and unparalleled ease of use, UPI is empowering businesses to embrace a cashless future.

The adoption of UPI by businesses in Bangalore is multifaceted, with each sector experiencing its unique benefits. From small street vendors to multinational corporations, UPI offers a level playing field, enabling even the smallest of businesses to participate in the digital economy. Gone are the days of cumbersome cash handling and the risk of theft; UPI streamlines transactions, reducing operational costs and increasing efficiency.

Moreover, UPI fosters financial inclusion by reaching segments of the population previously underserved by traditional banking systems. In Bangalore, where diversity is celebrated, UPI transcends barriers of language, literacy, and socioeconomic status, making financial services accessible to all.

Literature review
Cashless economy
"Kakade1, Prof. Nupur A. India had seen enormous growth in smartphone sales in recent years and had 530 million smartphones by 2018 (According to a new study by U.S based media agency Zenit). Through the Pradhan Mantri Jan Dhan Yojana, 30.45 crore accounts and 22.93 cards were provided for universal access to Banking. To increase internet service in villages or rural areas, the government provided Wi-Fi zones near to 2,500,000 Gram Panchayats, and this led to the adoption of data services.

Goel R. *et al.* (2019) [11] stated that a cashless economy is a system where there is little or no flow of cash in an economy, and transactions are made using cashless or digital means. In November 2016, the government of India took a very big step of demonetizing 500 and 1000

Bhuvana and Vasantha (2017) [12] proposed that demonetization of currency played a vital role in the acceptance and the use of technology, online banking system. Initially, the transactions were done using credit cards and the internet."

Digital payment
(Mathur, 2017) [13] The author concluded that people were not so aware about the security concerns while making epayments. There was a need to have awareness programs by various agencies in this regard.

(Shah, 2017) [14] The government forced digital transactions by demonetizing high-value currency notes and providing various initiatives. Still, the bulk of transactions was cash-based, and cash was still the only medium for financial transactions for Indian consumers. Hence, achieving a 100% cashless society would not be possible in the near future, but one could always start from a less cash society and then move towards becoming mostly cashless.

(Suma Vally, 2018) [15] The results of this paper indicated that the deployment of technology for digital payments had improved the performance of the banking sector and had been able to achieve the motive of a cashless country.

Change in Habit
Mandal and Bhattacharya (The Qualitative Report, 2013) studied the construct of customer satisfaction with respect to Indian retail banking from a qualitative perspective. They studied the dimensions of customer satisfaction.

Fozia (2013) [16] determined the customer's perception toward e-banking services and analyzed the variance technique that was employed to study the significant relationship between occupation and customer perception of e-banking services, as well as the significant relationship between age and customer perception of e-banking services.

Dr. Jain, Mr. Yadav, Mr. Saxena, and Dr. Mathur (November 2013) concluded that there was a significant impact of personnel behavior on customer satisfaction. The results also showed that there was a positive impact on customer satisfaction of the perceived service quality, which not only led to customer satisfaction but also increased loyalty and commitment toward the bank.

Government Initiatives
▪ Unyathanakorn *et al.* (2014) [17] uncovered that e-banks had to fixate on service quality to increment customer contentment and trust and to obtain customer staunchness. Implicative insinuations were discussed in cognation to e-bank management. It had transmuted consumer deportment in many ways, including financial transactions formerly requiring a visit to a bank branch.
▪ Jamaluddin (2013) [18] concluded that the reach of Indian banking to every individual was possible because of the computerization process adopted by the banking sector. Information technology had not only simplified the operation but had also given great comfort to individuals who did not have good knowledge of IT but needed to access banking in an optimum manner.
▪ Roshan Lal (2012) [19] analyzed that the development of e-banking in the banking sector was due to the advent of IT. Banks had operated in a highly globalized, liberalized, privatized, and competitive environment. In

order to survive in this environment, banks had to use IT. The Indian banking industry had witnessed tremendous development due to sweeping changes taking place in information technology.

Objectives
To facilitate and accelerate the transition of businesses towards a cashless economy in Bangalore through UPI (Unified Payments Interface), fostering financial inclusivity, efficiency, and security.

This objective entails
1. **Educating Businesses:** Provide comprehensive training and educational resources to businesses on how to integrate UPI into their operations seamlessly, emphasizing its benefits over traditional cash transactions.
2. **Enhancing Digital Infrastructure:** Collaborate with government bodies, financial institutions, and technology providers to strengthen the digital infrastructure necessary for widespread UPI usage, ensuring reliability and scalability.
3. **Increasing Awareness:** Conduct targeted awareness campaigns to inform businesses about the advantages of a cashless economy, emphasizing the role of UPI in reducing the reliance on physical currency and enhancing financial transparency.
4. **Collaboration and Partnerships:** Foster collaboration with local business associations, industry groups, and government agencies to create a supportive ecosystem conducive to the adoption of UPI and the broader cashless economy initiative.

By pursuing these objectives, the aim is to catalyze the shift towards a cashless economy in Bangalore, promoting financial inclusion, efficiency, and transparency while unlocking new opportunities for businesses and driving economic growth.

Methodology
This study employs a mixed-method approach to investigate the impact of Unified Payments Interface (UPI) on businesses in Bangalore and its contribution to the transition towards a cashless economy.

Quantitative Analysis
Surveys
Conducting surveys among businesses across various sectors in Bangalore to gather data on their usage, awareness, and perceptions of UPI. Questions will cover aspects such as frequency of UPI transactions, transaction volume, and ease of use, security concerns, and overall satisfaction.

Transaction Data Analysis
Analyzing transaction data obtained from partnering financial institutions and payment service providers to assess the growth trends, transaction volumes, and patterns of UPI usage among businesses in Bangalore over time.

Secondary Research
Reviewing existing literature, reports, and studies on digital payment adoption, cashless economy initiatives, and UPI implementation in India, with a focus on Bangalore

whenever available.

Analyzing relevant government policies, regulations, and initiatives aimed at promoting digital payments and fostering a cashless economy in Bangalore.
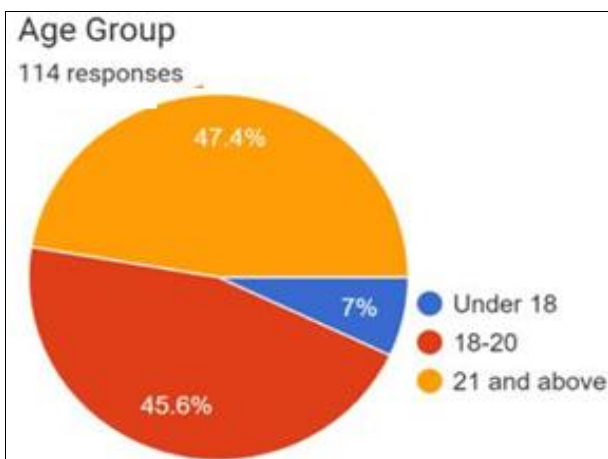
Data Analysis

Quantitative data will be analyzed using statistical techniques such as descriptive statistic

Data analysis and interpretation

Table 1: Classification of respondents based on age

Age group	Number of respondents	Percentage
Under 18	8	7%
18-20	52	45.60%
21 and above	54	47.40%

Fig 1: Classification of Respondents based on Age

The table and figure present data on the classification of respondents based on age. It categorizes respondents into three age groups: "Under 18", "18-20", and "21 and above". The table shows the number of respondents and the corresponding percentages within each age group. Specifically, there are 8 respondents under the age of 18, constituting 7% of the total. 52 respondents fall within the 18-20 age bracket, representing 45.60% of the total. The largest group consists of 54 respondents aged 21 and above, accounting for 47.40% of the total. Overall, the data highlights the distribution of respondents across different age categories, with the majority being 21 years old or older.
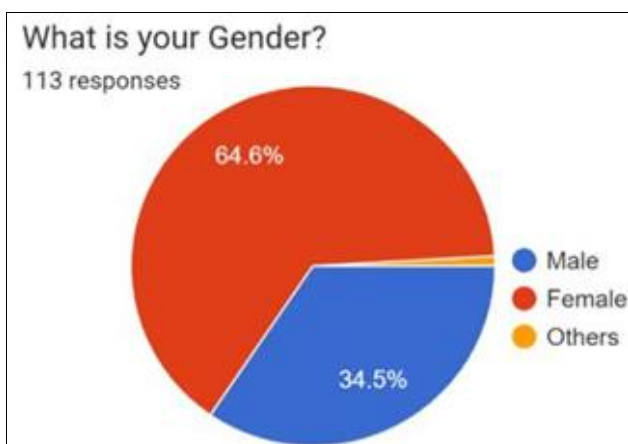
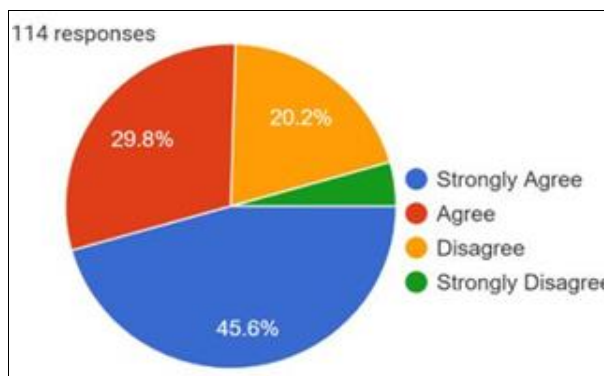**Fig 2:** Classification of respondents based on gender

Table 2: Classification of respondents based on gender

Gender	Number of respondents	Percentage
Male	39	34.50%
Female	73	64.60%

The data reveals the gender distribution among respondents, with 39 male respondents (34.50%), 73 female respondents (64.60%), and 1 respondent (0.90%) identifying as "Others". Female respondents represent.

Table 3: Classification of respondents based on their awareness about UPI

| Awareness	Number of respondents	Percentage
Strongly Agree	52	45.60%
Agree	34	29.80%
Strongly Disagree	5	4.40%
Disagree	23	20.20%

Fig 3: Classification of respondents based on their awareness about UPI

The data indicates the awareness levels of respondents regarding the UPI. The majority either strongly agree (45.60%) or agree (29.80%) with their awareness, while a smaller portion either strongly disagree (4.40%) or disagree (20.20%). This suggests varying degrees of awareness among respondents and majority of them strongly agree with having awareness about UP

Table 4: Classification of respondents based on the source of information used for UPI Awareness

| Source of information	Number of respondents	Percentage
Social media	50	44.20%
Newspaper	22	19.50%
TV News Channels	35	31.00%
Friends and Relatives	6	5.30%
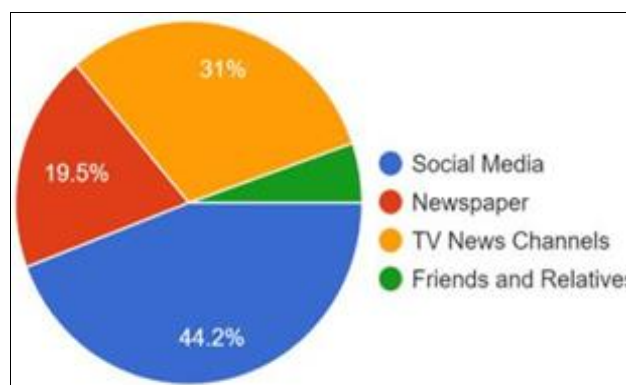
Fig 4: Classification of respondents based on the source of information used for UPI awareness

The data illustrates the diverse sources through which respondents acquire information Social media emerges as the primary source, with 44.20% of respondents relying on it, followed by TV news channels (31.00%), newspapers (19.50%), and friends/relatives (5.30%). This highlights the importance of leveraging social media platforms for disseminating UPI-related information, alongside traditional media channels.

Table 5: Classification of respondents based on their opinion about importance of UPI participation for economic development

| Participation	Number of respondents	Percentage
Strongly Agree	45	39.50%
Agree	40	35.10%
Neutral	24	21.10%
Strongly Disagree	4	3.50%
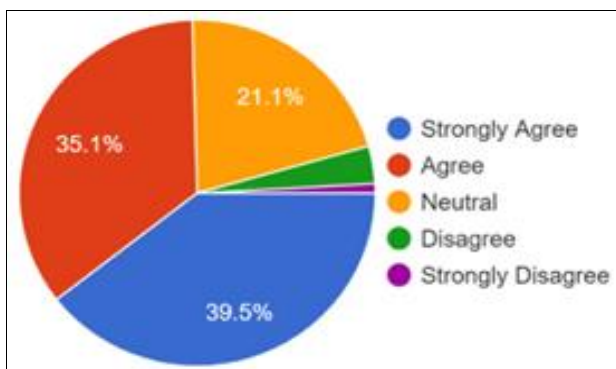
Fig 5: Classification of respondents based on their opinion about importance of UPI participation for economic development

The data reveals varying opinions among respondents regarding the importance of UPI participation for economic development. The majority either strongly agree (39.50%) or agree (35.10%) with its significance. However, a notable portion feels neutral (21.10%) or disagrees (3.50%). These findings highlight diverse perspectives on the role of UPI participation in economic development and the respondents agree that India's participation helped in economic development of the nation.

Table 6: Classification of respondents based on their opinion about effectiveness of representing economic interests at UPI

Effectiveness	Number of respondents	Percentage
Very Effective	39	34.80%
Effective	47	42.00%
Neutral	22	19.60%
Not Effective	4	3.60%
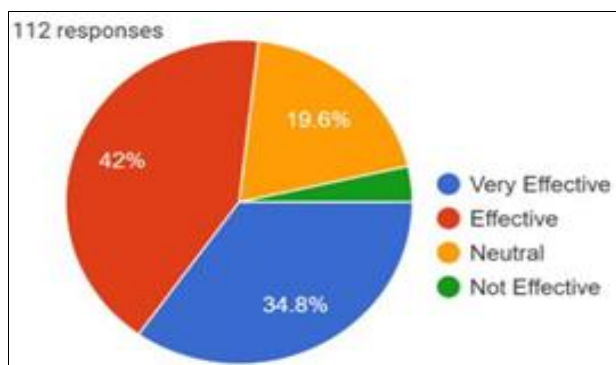
Fig 6: Classification of respondents based on their opinion about effectiveness of representing economic interests at UPI

The data shows varying opinions on the effectiveness of representing economic interests at the UPI. While a majority consider it effective (34.80% very effective, 42.00% effective), a notable portion remains neutral (19.60%), with a minority considering it not effective (3.60%). These findings provide insights into the perceived effectiveness of economic representation at the UPI.

Conclusion
Based on the review of UPI's impact on promoting a cashless economy in Bangalore, it can be concluded that UPI has significantly contributed to reducing reliance on cash transactions in the city.
The widespread adoption of UPI has facilitated seamless digital payments, leading to increased convenience, transparency, and efficiency in financial transactions.
Furthermore, UPI has played a crucial role in promoting financial inclusion by providing access to digital payment services to a wider population, including those without traditional banking accounts. Overall, UPI has been instrumental in driving the transition towards a cashless economy in Bangalore.

References
1. National Payments Corporation of India (NPCI). Unified Payments Interface (UPI); c2021. https://www.npci.org.in/what-we-do/upi https://www.npci.org.in/what-we-do/upi
2. Reserve Bank of India (RBI). Report on Trend and Progress of Banking in India; c2020. https://www.rbi.org.in/Scripts/AnnualReportPublications.aspx?Id=1249 https://www.rbi.org.in/Scripts/AnnualReportPublications.aspx?Id=1249
3. World Bank. The Global Finder Database 2017; c2019. https://globalfindex.worldbank.org/ https://globalfindex.worldbank.org/
4. Deloitte. Unlocking the digital payment potential in India; c2018. https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology-media-telecommunications/in-tmt-unlocking-digital-payment-potential-noexp.pdf https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology-media-telecommunications/in-tmt-unlocking-digital-payment-potential-noexp.pdf
5. PwC. UPI 2.0: Transforming the future of payments; c2018. https://www.pwc.in/assets/pdfs/publications/2018/upi-2.0-transforming-the-future-of-payments.pdf https://www.pwc.in/assets/pdfs/publications/2018/upi-2.0-transforming-the-future-of-payments.pdf
6. Ernst, Young. Digital Payments in India: Transforming the payment landscape; c2019. https://www.ey.com/en_in/banking-capital-markets/digital-payments-in-india-transforming-the-payment-landscape https://www.ey.com/en_in/banking-capital-markets/digital-payments-in-india-transforming-the-payment-landscape
7. Reddy D, *et al.* Digital payments ecosystem in India: An Analysis. International Journal of Scientific Research and Modern Education. 2017;2(1):571-581.
8. Sharma A. Digital payment systems in India: Issues, Challenges, and Future Prospects. International Journal

of Advanced Research in Computer Engineering & Technology. 2019;8(8):68-73.

9. KPMG. The Changing Payments Landscape in India; c2017.
https://assets.kpmg/content/dam/kpmg/in/pdf/2017/05/The-changing-payments-landscape-in-India.pdf
https://assets.kpmg/content/dam/kpmg/in/pdf/2017/05/The-changing-payments-landscape-in-India.pdf

10. Gupta V, Kumar V. Evolution of UPI: The Indian Mobile Payments Revolution. International Journal of Computer Applications. 2020;175(1):13-18.

11. Mistry P, Nakabo S, O'Neil L, Goel RR, Jiang K, Rivera CC, *et al.* Transcriptomic, epigenetic, and functional analyses implicate neutrophil diversity in the pathogenesis of systemic lupus erythematosus. Proceedings of the National Academy of Sciences. 2019 Dec 10;116(50):25222-8.

12. Bhuvana M, Vasantha S. A structural equation modelling (SEM) approach for mobile banking adoption: A strategy for achieving financial inclusion. Indian Journal of Public Health Research and Development. 2017 Apr;8(2):175-81.

13. Ahmed CM, Palleti VR, Mathur AP. WADI: A water distribution test bed for research in the design of secure cyber physical systems. In Proceedings of the 3rd international workshop on cyber-physical systems for smart water networks; c2017 Apr 21. p. 25-28.

14. Li Q, Shah S. Learning stock market sentiment lexicon and sentiment-oriented word vector from stock twits. In Proceedings of the 21st conference on computational natural language learning (CoNLL 2017); c2017 Aug. p. 301-310.

15. Vally SK, Divya HK. A study on digital payments and demonetization in India: Prospects and challenges. Journal of Advanced Research in Dynamical and Control Systems. 2018;10(8):384-90.

16. Fozia M. A comparative study of customers' perception towards E-banking services provided by selected private & public sector bank in India. International Journal of Scientific and Research Publications. 2013 Sep;3(9):1-5.

17. Unyathanakorn K, Rompho N. Factors affecting customer satisfaction in online banking service. Journal of Marketing Development and Competitiveness. 2014 Jun 1;8(2):50.

18. Hanafiah MH, Jamaluddin MR, Zulkifly MI. Local community attitude and support towards tourism development in Tioman Island, Malaysia. Procedia-Social and Behavioral Sciences. 2013 Dec 3;105:792-800.

19. Lal R, Saluja R. E-banking: The Indian scenario. Asia Pacific Journal of Marketing & Management Review. 2012 Dec;1(4):16-25.