



‘IMPACT ON UPI ON LOCAL VENDORS’

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ABSTRACT

UPI and online payments have had a significant impact on local vendors: Increased Sales: UPI and online payments have expanded the customer base for local vendors by making it convenient for customers to make cashless transactions. This has led to an increase in sales. Improved Cash Flow: Local vendors no longer have to wait for customers to have enough cash on hand. With online payments, they receive payments directly, leading to better cash flow management. Reduced Cash Handling: UPI and online payments have reduced the need for handling physical cash, which can be costly and risky. This has enhanced security for local vendors. Access to a Wider Market: Online platforms and UPI enable local vendors to reach a broader audience, even beyond their immediate geographical location, helping them tap into new markets. Enhanced Record-Keeping: Online payments often come with digital receipts and transaction histories, making it easier for vendors to maintain records and track their financial transactions. Convenience for Customers: Local vendors offering UPI and online payment options are more attractive to tech-savvy customers who prefer the convenience of digital transactions. However, it's important to note that some local vendors, particularly those in remote areas or without access to necessary technology, may face challenges in adopting these payment methods. Overall, the impact of UPI and online payments on local vendors is largely positive, promoting financial inclusion and business growth.

KEYWORDS:

Digital Payments Adoption, Cashless Transactions, Ease of Doing Business, Financial Inclusion, Customer Convenience, Transaction Volume Growth, Reduced Cash Dependency, Instant Payments, Merchant Onboarding, Cost of Digital Transactions.

INTRODUCTION:

The Unified Payments Interface (UPI) has revolutionized financial transactions in India, transforming how local vendors operate by enabling seamless digital payments, enhancing sales, improving financial management, and reducing cash handling risks. Launched by the National Payments Corporation of India (NPCI) in 2016, UPI has driven digital financial inclusion and economic growth by allowing real-time transactions via smartphones.

Local vendors, vital to community economies, benefit from UPI through broader customer bases and improved efficiency. Government schemes like PM SVANidhi further support street vendors by offering working capital loans and promoting digital payment adoption, empowering them to embrace the digital economy and enhance economic resilience.



OBJECTIVE OF STUDY:

1. To study about how UPI help to local vendors in making their payment easy.
2. To study about how UPI affect to local vendors.
3. To study about how the UPI can play a significant role in enhancing cash flow management for local vendors.
4. To study about how UPI is Speedy and secure transaction for local vendors.

LITERATURE REVIEW:

Padashetty, D. S. & Kishore, K. S. (2013): The study is about consumer adoption of mobile payment, "An empirical study on Consumer Adoption of mobile payments" they have found that perceived ease of use, safety & security and trust and confidence playing a vital role in facilitating of digital payment.

Rajesh krishna balan, narayan ramasubhu, giri kumar tayi (2006): In their exploration paper "Computerized wallet: Requirement and difficulties " have recognized about India's utilization of advanced wallet and dissected the key difficulties in building and sending an advanced wallet.

Dr. hem shweta rathore (2014): "Reception of Digital wallet by buyers" study tries to highlight that the purchasers in utilization of computerized wallet reasoned that customers are receiving computerized wallet to a great extent because of comfort and simplicity to utilize and later on years advanced wallet will acquire across the board acknowledgment.

Shweta Kumar(2014): She has conducted a study on "Paytm," and included the accomplishments of paytm, its working architecture and technologies were examined in the paper a survey based on supply chain management, paytm technologies, are described in the digital transaction system.

Nitika Rai, Anurag Ashok, Saumeel Gajera (2012): In her paper on "M-wallet: An SMS based payment scheme", which described about substitution in the existing payment effects like debitcards, credit-card, and money with short Messaging services (SMS) on every mobile phones regardless of the network carrier.

Dr. Ravi Kumar Goriparthi and Dr. Pankaj Tiwari (2017): "Demonetization in India an Era for Digital Payments," considers the opportunities and growth of digital payments in India in this paper he describes India as a country, now in conversion towards a moneyless economy, and highlighted the growth opportunities for the digital payments, the practice of using the money, difficulty, and unusualness of online payment systems, shortage of compelling value proposition, and fear over fraud and network security.

RESEARCH METHODOLOGY:

SOURCE OF DATA COLLECTION: The source of data are as follows:

- **Primary data:**

It is based on experimental tests on samples, conducted surveys or interviews or use existing data to form research. And The resources used for the research paper is Google form in the form of questionnaire.

- **Secondary data:**

Secondary data has been collected from various sources such as research papers, journals, reports, and online databases such as Google Scholar, and website.

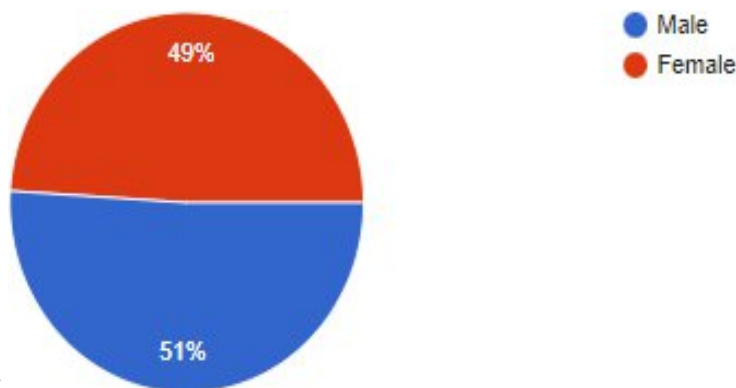
- **Sample size:**

Sample size refers to the number of participants or observations included in a study Sample size: 100 observation

METHOD OF SAMPLING USED: “Random Sampling Method”

Random Sampling Method: A random sampling method is used to select the respondents for the study. The random sampling method ensures that each member has the equal chance of getting a response. Random sampling is a critical element to the overall survey research design.

DATA ANALYSIS AND INTERPRETATION

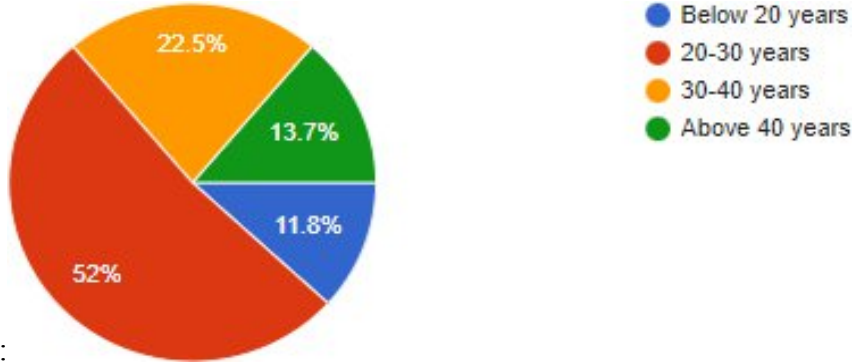


1. Gender

Interpretation:

The above diagram is a Pie-chart. A pie-chart is a statistical graphic which is divided into pieces that demonstrate the proportion of our data. A pie-chart is used to demonstrate the data collected by the respondents. The above question is the gender of the respondents and the two options are Male and Female.

Total male respondents are 51% of the whole number of respondents in percentage and total female respondents are 49% out of 100%. This shows that there are more male respondents as compared to female respondents in our study.

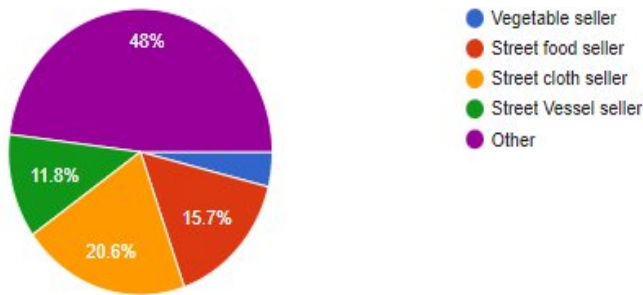


2. Age:

Interpretation:

The above diagram is a pie-chart showing the age of our respondents. The options set for this age below 20 years, 20 to 30 years, 30 to 40 years and above 40 years. The percentage of the number of respondents in each category is: Between below 20 years the percentage of respondents is 11.8%. Between 20 to 30 years the percentage of respondents is 52%. Between 30 to 40 years the percentage of respondents is 22.5%. Between 46 to 70 years the percentage of respondents is 13.7%.

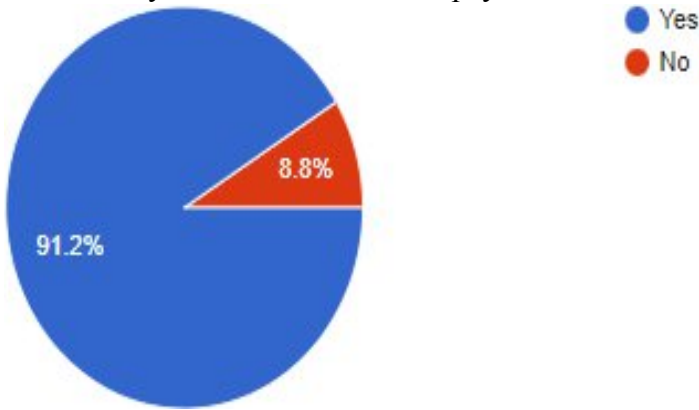
3. What type of vendor you are?



Interpretation:

The percentage of the number of respondents in each category is: The percentage of total respondent for vegetable seller is 3.9%. The percentage of total respondents for street food seller is 15.7%. The percentage of respondents for street cloth seller is 20.6%. The percentage of respondents for street vessel seller is 11.8%. The percentage of respondents for other street seller is 48%.

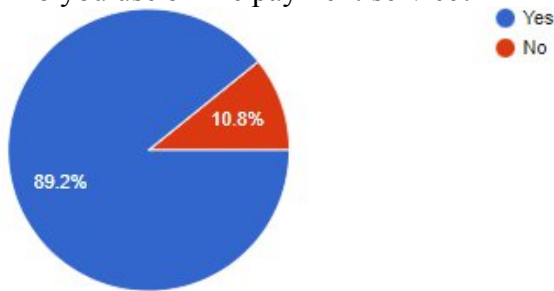
4. Do you aware about online payment service?



Intpretation:

Out of 100%, 91.2% of respondents are familiar with the usage of online payment services and 8.8% of respondents are not familiar to online payment services. This means that majority of our respondents have a good knowledge and experience about online payment services.

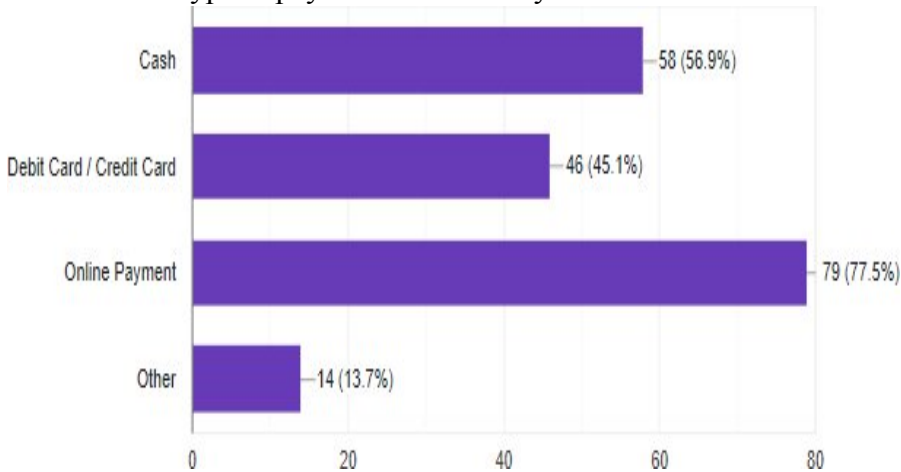
5. Do you use online payment service?



Intpretation:

Out of 100%, 89.2% of respondents are familiar with the usage of online payment services and 10.8% of respondents are not familiar with the usage of online payment services. This means that majority of our respondents have a good knowledge and experience about how to use various online payment services.

6. What type of payment service do you use?

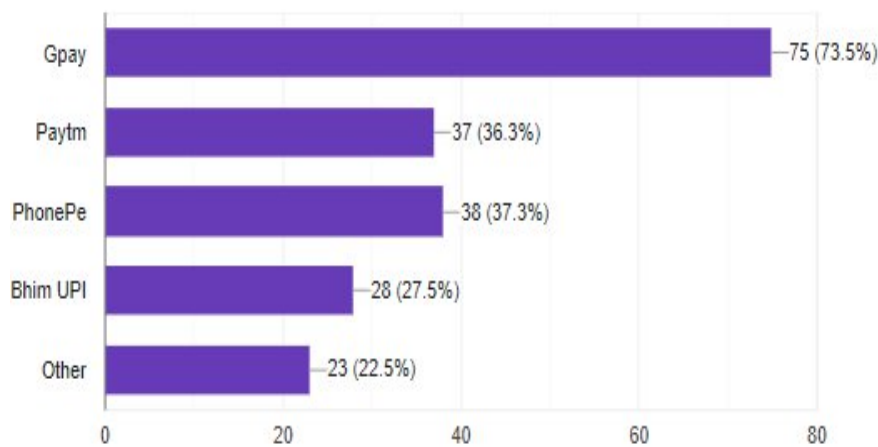


Intpretation:

The above diagram shows the results of the question asked to the respondents about which type of payment do they use for making online payments. The results for the same are as follows:-

- Total 58 respondents use Cash as a payment gateway for making payment and the percentage for the same is 56.9%.
- Total 46 respondents use Debit /Credit card as a payment gateway for making payment and the percentage for the same is 45.1%.
- Total 79 respondents use Online Payment as a payment gateway for making payment and the percentage for the same is 77.5%.
- Total 14 respondents use other type of payment as a payment gateway for making payment and the percentage for the same is 13.7%.

7. If you use online payment services, then what type of sevice do you use?

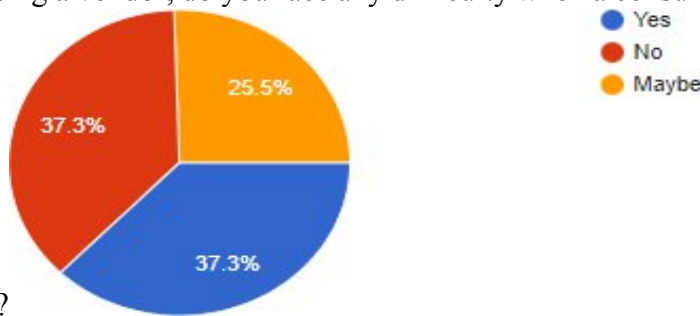


Intpretation:

- Total 75 respondents use Gpay as a payment app for making payment and the percentage for the same is 73.5%.
- Total 37 respondents use Paytm as a payment app for making payment and the percentage for the same is 36.3%.
- Total 38 respondents use Phonepe as a payment app for making payment and the percentage for the same is 37.3%.
- Total 28 respondents use Bhim UPI as a payment app for making payment and the percentage for the same is 27.5%.

Total 23 respondents use other type of payment app for making payment and the percentage for the same is 22.5%

8. Being a vendor, do you face any difficulty when a consumer ask you online payment rather



than cash?

Intpretation:

The above diagram is pie chart which gives the detailed information about whether they face any difficulty when a consumer ask for online payment rather than cash.it consist of answer in either ways (yes, no, maybe)

- The total number of respondents received for answer (yes) are 38.
- The total number of respondents received for answer (no) are 38
- The total number of respondents received for answer (maybe) are 26

There are in all 37.3% of yes respondents, 37.3% of no respondents and 25.5% of maybe respondents.

CONCLUSION:

The purpose of the research that looked at the use of online payment methods in street vendors was to try to have a better understanding of the impact that the use of online payment methods has had on such businesses. It was discovered that using an online payment option does indeed have a bigger influence on generating business and makes the transaction more convenient for customer. After doing the analysis, we came to the conclusion that the length of time spent using a product and the number of years spent in business both play an important part in the



decision-making process, which is why businesses should switch to using digital payment methods. There is a strong connection between the intentions behind a behaviour and the conditions that make that behaviour possible. As a result, the key reasons for adopting digital payment in retail outlets are convenience and the need of customers; however, shopkeepers in Thane, Maharashtra express very little concern over the fear of being scammed and the security of transactions conducted on digital platforms. It appears that it will take a sufficient amount of time to become a cashless economy altogether. It calls for the full cooperation of the populace as well as increased awareness and education on the part of both retailers and average people. If we want to see a rise in the number of digital transactions, we need to first address the widespread problem of low levels of education and computer proficiency. The efforts being made by both the government and private sector companies with their own online payment apps (like Paytm and PhonePe, for example) are producing positive results. In order to have a completely cashless economy and to offer long-term, sustainable economic growth for the nation in the not-too-distant future, the government will need to take responsibility for addressing and resolving these difficulties.

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