



A STUDY OaN UPI'S EFFECT ON MICROENTERPRISES INDIGITAL INDIA WITH SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract

A microenterprise, sometimes called a microbusiness, is a small company with a small workforce. A microenterprise is typically launched with a small amount of capital advanced from a bank or other institution and employs less than ten people. The majority of micro-businesses focus on offering products or services to their immediate communities. Microfinance aims to support microenterprises by providing these companies with small loans of financing. This makes it possible for people or families with moderate, low, or no income to launch their own companies, generate revenue, and give back to their communities.

Keywords

UPI effects on micro business in Digital India, Google pay, phonepe

Introduction

The Government of India's flagship initiative, Digital India, aims to make India a knowledge economy and a technology-enabled society. On July 1, 2015, Hon. Prime Minister Shri Narendra Modi officially began the initiative. The Government of India started the "Digital India" effort to increase Internet access and enhance online infrastructure to provide its services to citizens electronically. Plans for the effort include high-speed internet network connections for rural communities. It is made up of three main parts: creating a reliable and safe digital infrastructure; providing digital government services; and promoting digital literacy among all citizens.

The Unified Payments Interface (UPI) technology unifies various banking functions, smooth fund routing, and merchant payments under one roof by enabling numerous bank accounts into a single mobile application (of any participating bank). Additionally, it supports "Peer to Peer" collection requests, which can be planned and funded according to convenience and necessity. UPI functions mainly as a virtual debit card, combining several bank accounts into a single mobile application. As a result, you can send and receive money fast using UPI payment without having to input your account information or IFSC code everytime.

TYPES OF UPI PAYMENT:

P2P (Person to Person)

If you are paying someone's bill on their behalf and need to reimburse you, they can use UPI. This suggests that you can use the recipient's UPI ID to send money to them via UPI.

P2M (Person to Merchant)

This suggests that you can use their UPI ID or a QR code to pay at any business shop. In this manner, you can expedite payments and promote cashless transactions.

OBJECTIVES

- To understand the major reasons for the adoption of online payments by vendors.
- To know the preferable payment method requested by customers for business payments
- To analyze the level of risk involved in UPI Payments services.

SIGNIFICANCE OF THE STUDY

- Demonetization is the only reason why individuals are switching from cash to digital payment methods.
- Digital payment systems eventually won over the public's affection because of their extensive availability, efficiency, rapid money transfers, and potential to save time.
- As a result, the continued digitalization of the banking industry and the payment ecosystem significantly increases the significance of this study.

STATEMENT OF PROBLEM

- Finding out how UPI Payments is a digital exchange service between a buyer and a seller/merchant will be made easier with the help of this study.
- These days, the digital exchange sector is heavily influenced by UPI Payments services.
- There have been some noticeable changes in the economy as a result of this rise in cashless transactions.
- This cashless payment method takes a long time. However, some cash payments are still being made. Fraud and scams can occur online.

Research Methodology Research Design

A random sampling technique tool was used.

Source of Data

The Primary and Secondary data are required for this study. The Primary data has been collected using the Questionnaire method.

Sampling Size

The study is focused on Primary Data which has been collected from 150 respondents.

Area of the Study

The area of the study is about Coimbatore City.

Tools Used for Analysis Simple percentage analysis. Limitation of the Study

1. The area of study is limited to Coimbatore.
2. The number of respondents is limited to 150 respondents.

Review of Literature

Dr. Kratika Neema¹(2016) By enabling mobile phones to be utilized as the primary payment device for making and receiving payments, UPI helped to advance e-payment technology. Every new technology has some restrictions and difficulties. To achieve the goal of Digital India, banks and the government are proactively raising citizen knowledge of UPI to enhance participation and utilization of UPI technology.

Dr. S. Sahayaselvi²(2017) In addition to being quicker than a cash transaction, the shift to cashless is safer. It also aids in keeping a record of every transaction completed. In India, there are over 22 crore smartphone users and over 100 crore active mobile connections. It follows that cashless transactions will undoubtedly be the norm in the future transaction system.

S. S. Rao³(2018) The exact advancement of information technology along with the steady increase in internet usage has completely changed how goods are exchanged in the human world. Expanding the reach of electronic payment systems in India is imperative, as the majority of transactions are still cash-based.

Ashish Baghla⁴(2018) With their e-wallet applications—PayTM, phonePe, and others—both the public and private sectors are progressing well. To finally create sustainable economic growth in the country, the government needs to address these concerns to promote digital payments and establish a cashless economy.

Arun P Nambiar⁵(2018) Based on our research, we can conclude that the majority of respondents do not primarily use cashless payment methods for their purchases. The respondents' perceived disadvantages with digital payments, despite their perceived convenience, are a major factor in their decision to forgo digital payments.

Dr. Harshal Anil Salunkhe⁶(2019) People use digital payments for a variety of reasons, including online shopping and money transfers. This offers promotional cash to new clients and accepts payments over UPI.

The Indian population is also pleased with the digital payment methods available.

S. SOWBARNIKA⁷(2019) Banking technology is available in India, and customers are generally satisfied with it. The survey also shows that UPI users had a very positive opinion of the technology used in banking, which is demonstrated by their adoption and use of it, while non-users made it evident that they were uninterested in and ignorant about using other technology-driven banking channels.

Swaminath S⁸(2020) The goal of the current study is to comprehend how business owners view the UPI-based mobile payment system for transactions. Given the rapid advancement of technology and its impact on business, there appears to be a good impression regarding payment options.

K.S. Ranjani⁹(2020) In addition to reflecting the underprivileged segment of the population, micro companies also reflect an alternative organizational framework that has not yet been explored in research. In order to guarantee safety and security and to make sure that there are sufficient checks and balances to prevent fraud and financial loss in such transactions, regulation, monitoring, and risk management practices should address the needs of the target segment of microenterprises.

Gourab Ghosh¹⁰(2021) One of the main reasons why customers are adopting the digital payment system is the government of India's initiative to create a digital India, as well as the rise in smartphone sales and the accessibility of high-speed, reasonably priced internet. With these developments, consumers can do more tasks at their fingertips and don't have to travel far to utilize them.

MICRO ENTERPRISES

Microenterprises are tiny companies that are frequently started with minor start-up loans. Microcredit, a form of credit accessible to those without collateral, credit history, or work history, is used to finance them. In addition to generally providing a good or service that is required in their communities, microcredit has assisted in raising the standard of living for people in developing nations.

UPI IMPACT IN MICROENTERPRISE

Micro & Small enterprises: By making it simple and affordable for them to accept digital payments, UPI has proven especially advantageous for micro and small enterprises. Businesses can build up a digital payment infrastructure with UPI without spending money on pricey point-of-sale systems or complex technology.

IMPACT ON DIGITAL PAYMENTS IN INDIA

FINANCIAL INCLUSION: In India, UPI has been instrumental in promoting financial inclusion. Through the provision of an easy, convenient, and reasonably priced payment option, UPI has enabled millions of underbanked and unbanked people to engage with the formal financial system. People from various socioeconomic backgrounds may now adopt digital payments and take advantage of digital financial

services because of UPI's minimal entry barriers and ease of usage.

IMPACT OF UPI IN BUSINESS

Seamless Integration with Digital Ecosystem The amalgamation of UPI with diverse digital platforms and services has uncovered an abundance of prospects for enterprises. Businesses may now easily incorporate UPI payment options into their e-commerce platforms, mobile apps, and websites to give customers a safe and easy way to make payments. This integration has boosted digital adoption and improved customer satisfaction, which has helped Indian e-commerce companies expand.

Encouraging Digital Transformation: The extensive use of UPI for business expenses has been essential to India's digital transformation effort. It has made it easier for businesses and consumers to accept digital payments, opening the door to a cashless economy. Consumer behaviour has changed as a result of the availability of UPI payment choices, with an increase in the number of people choosing digital transactions. Businesses now have more opportunities to grow, reach new markets, and increase their consumer base thanks to this trend.

Data Analysis and Interpretation

The data collected from the samples have been systematically applied and presented in tables under various headings in the following pages. They were also arranged in such a way that a detailed analysis could be made to present suitable interpretations for the same. The Statistical tools namely simple percentage analysis and interpretation of data.

TABLE SHOWING GENDER OF RESPONDENTS

S. No.	Gender	No of respondents	Percentage
1	Male	75	59.7 %
2	Female	51	40.3%
	Total	126	100 %

(Source: primary data)

TABLE SHOWING RESPONDENTS OF OCCUPATION

S. No.	Products	No of respondents	Percentage
1	Food Truck	14	11.1%
2	Fitness Studio	11	8.7%
3	Organic Farming	14	11.1%
4	Event Planning	18	14.3%
5	Pet care service	12	9.5%
6	Handmade Craft	13	10.3%
7	Eco-friendly Product	14	11.1%
8	Mobile Repair Service	09	7.1%
9	Home-based Bakery	09	7.1%
10	Boutique	12	9.5%
	Total	126	100 %

(Source: primarydata)

TABLE SHOWING UPI CURRENT USAGE

S.NO.	Current usage	No of Respondents	Percentage
1.	YES	105	83.3%
2.	NO	21	16.7%
	TOTAL	126	100%

(Source: primarydata)

TABLE SHOWING IF YES HOW FREQUENTLY DO USE UPI

S.NO	Frequency of use	No of Respondents	Percentage
1.	Not at all	21	16.7%
2.	Slightly	38	30.2%
3.	Frequently	53	42.1%
4.	All the time	14	11.1%
	TOTAL	126	100%

(Source: primarydata)

TABLE SHOWING IF NO, WHAT ARE THE REASONS FOR NOT USING UPI?

S.NO.	Reasons for not using UPI	No of respondents	Percentage
1.	Network issues	61	48.4%
2.	Difficulty in accessing	44	34.9%
3.	Other	21	16.7%
	TOTAL	120	100%

(Source: primarydata)

TABLE SHOWING WHICH OTHER UPI PLATFORMS YOU USE.

S.NO	Other UPI platforms used	No of respondents	Percentage
1.	Google Pay	71	56.3%
2.	Phonepay	44	34.9%
3.	Paytm	11	08.7%
	TOTAL	100	100%

(Source: primarydata)

TABLE SHOWING ON AVERAGE, WHAT PERCENTAGE OF YOUR TRANSACTIONS ARE CONDUCTED DIGITALLY.

S.NO	Percentage of transactions conducted digitally	No of Respondents	Percentage
1.	25%	17	13.5%
2.	50%	41	32.5%
3.	90%	49	38.9%
4.	100%	19	15.1%
	TOTAL	126	100%

(Source: primarydata)

TABLE SHOWING HOW UPI COMPARES TO TRADITIONAL PAYMENT METHODS IN TERMS OF CONVENIENCE AND SECURITY.

S.NO	Comparison to ancient methods	No of Respondents	Percentage
1.	Convenient	36	28.6%
2.	Highly convenient	62	49.2%
3.	Difficult	20	15.9%
4.	Highly Difficult	08	06.3%
	TOTAL	126	100%

(Source: primarydata)

SUGGESTIONS

India took a stride toward establishing a cashless economy when the Unified Payment Interface (UPI) was introduced. With the introduction of this new payment option, more clients, suppliers, and service providers will take mobile payments. Due to the digitized nature of UPI payments, businesses will see an increase in cash flow. The unique attributes of UPI are encouraging entrepreneurs to do transactions with less cash.

The tiniest retailer can begin taking digital payments with UPI without the need for point-of-sale equipment. It has no middlemen like networks have, making it superior to all other payment methods in terms of transaction costs and quick settlement times. As a result, UPI can greatly facilitate financial inclusion in India and open up a wide range of small company sectors to the digital economy. Utilize UPI for seamless

and convenient transactions. It simplifies payments and collections, reducing the need for cash transactions, thereby saving time and effort.

Embrace UPI as it often incurs lower transaction fees compared to traditional payment methods like credit cards or bank transfers. This can contribute to cost savings for your microenterprise. With faster payment processing times through UPI, you can potentially improve your cash flow management, ensuring timely receipt of payments and better liquidity for your business.

Leveraging UPI transactions can provide valuable data insights into customer spending patterns and preferences. Analyze this data to make informed business decisions and tailor your products or services to better meet customer needs. Promote the adoption of digital payments among your customers and suppliers. Educate them about the benefits of using UPI and provide support to help them transition to digital payment methods. In today's digital age, offering UPI as a payment option can help you stay competitive in the market. Keep pace with industry trends and technological advancements to maintain relevance and attract tech-savvy customers.

CONCLUSION

This section provides a summary of the full investigation, emphasizing the importance of the result, and then presenting the actual decisions that support the results. 40.3% of respondents were women and 59.7% of respondents were men, according to the above table. The goal of the current study is to comprehend how business owners view the UPI-based mobile payment system for transactions. It was shown that the adoption of new payment protocols into businesses is not significantly impacted by demographic parameters such as gender, age, education level, and business type. SME actors can increase the significance of their firms by adopting improved financial behavior. If the manager exhibits strong financial behavior and understanding, the company (SMEs) can have a lengthy lifespan. In summary, the incorporation of micro businesses into the UPI ecosystem has improved cost savings, operational effectiveness, and competitive advantages in addition to financial inclusion.

These benefits are anticipated to significantly encourage grassroots economic development and micro-business growth as UPI continues to mature. According to a study, the Unified Payments Interface (UPI) has a major positive impact on several microbusinesses' operational and financial activities. Microbusinesses have benefited from UPI by way of more efficient payment procedures, more effective transactions, less reliance on cash, and enhanced financial inclusion. Furthermore, microbusiness owners now have easier access to finance and financial services thanks to UPI, which has improved prospects for enterprise growth and expansion. All things considered, the results point to the critical role that UPI plays

in strengthening microbusinesses, encouraging financial stability, and advancing local economic development.

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