

# The Motives Behind The Adoption Of Upi Among Consumers Of Age Above 35 Years. An Inquiry In Kollam And Alappuzha Districts

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## ARTICLE INFO ABSTRACT

This research aims to find out whether middle and old-aged people are aware of the UPI payment system and the factors affecting them the most. The study was conducted by transmitting a Google Form with a structured questionnaire to 200 respondents from Kollam and Alappuzha districts. Of which, 53% are women and 47% are men. To analyse the data, percentage analysis and correlation are the two analytical tools used. The findings reveal that all the proposed variable have a significant relationship with the use of the UPI service. Understanding the motivations, difficulties, and effects of UPI on this age group is essential for legislators as well as service providers and financial institutions looking to customize their services.

## INTRODUCTION

The 21st century has gone through a drastic period of technological advancements. Innovations crept through various sectors with the help of technology. The Banking sector also has a new phase of changes. Technological advancement spread its wings supported by the fast-growing internet users. This century has seen a rigorous boom in the number of technology users. This rapid increase has paved the way for the conversion of many daily activities from traditional methods to online methods. 2020 became a milestone year in the advancement of technology. The year marked the rise of people's most feared pandemic in many years – COVID-19. The outbreak of the disease forced us to enclose ourselves in our homes closing the doors of socializing, panicked, people were not even ready to purchase necessities through traditional methods. This led to the rise of online modes of transactions.

The Unified Payments Interface (UPI) has emerged as a disruptive force in the quickly expanding field of digital banking and payment systems, altering the way consumers carry out financial transactions. UPI is a real-time payment system that consumers have adopted at a rate never seen before in recent years. 2016 witnessed the launch of the Unified Payment Interface (UPI). The National Payments Corporation of India (NPCI), established by the Reserve Bank of India (RBI) and the Indian Banks Association (IBA), was responsible for its development. It offers a safe and rapid platform for the transfer of funds.

The current financial technology has gained users not only from today's youth but also from all age groups. All generations have received it heartily. No other online-based ideas received similar appreciation from every generation. Middle-aged people who are usually reluctant and uncomfortable about using online platforms showed great enthusiasm towards online payment mode and have incorporated it into their daily lives. UPI has achieved the status of a comfortable method of transactions for people of all ages, including those in their middle years.

The target audience of UPI was never considered a particular age group. It aimed to reach out to all those who were ready to use digital methods of transferring money. It has succeeded in its mission as no single age group claims to be the expert on using UPI. While social platforms are mostly seen with discomfort by the middle and old-aged, UPI stands out as it has created a comfort zone for all age groups. Nobody is denied the chance to use it due to fear of using digital platforms. UPI has undoubtedly received a heartfelt welcome owing to its simplicity of use and secure transactions. Manipulations in UPI transactions have hardly been a concern and

it has gained the trust of its users. This too led to its broadening popularity. India has even been able to share this amazing discovery with many other countries. The instantaneous nature of UPI is something that is being cherished by all. It puts an end to all the chaos of physically handling money. You can easily access your entire transaction history made through UPI which prevents the loss of money. Unnecessary transactions can be prevented and one attains a proper understanding of how one's money is being spent.

Even though we claim UPI to be an easily usable platform and has been attained by all, only 75% of India's total population uses it. It is important to know if it has reached all the age groups in the intended manner. Middle-aged and old-aged people are considered to be the ones who might not be using UPI due to various reasons. Whether it is the fear of using the internet an aversion to technological advancements or even not being aware of it, is not clear. At some point, it is necessary to ponder over the reasons behind it and what their attitude is towards using UPI transactions.

The research being conducted aims to investigate the complex dynamics of UPI usage among middle and old-aged people, who are generally above the age of 35. Understanding the motivations, difficulties, and effects of UPI on this age group is essential for legislators as well as businesses and financial institutions looking to customize their services.

## OBJECTIVES

- To evaluate the immense growth of Unified Payment Interface.
- To observe the awareness of UPI among middle and old aged consumers in Kollam and Alappuzha districts.
- To explore the factors affected the usage of UPI among consumers of age above 35.

## REVIEW OF LITERATURE

UPI was created to provide its users with efficiency, accessibility, transparency, and convenience of usage at all times. Despite these appealing attributes and the rapid growth in internet and smartphone usage, the number of UPI users has not expanded as projected. It's critical to understand the elements driving the issue to better analyse the UPI adoption, usage, and intention to recommend by the existing users. We have refocused our study's emphasis on the elements that impact Indian customers' adoption of UPI by adopting the Diffusion of Innovation (DOI) theory in order to obtain a specific conclusion on use and recommendation intentions. The results indicate that there is a substantial positive association between the desire to use UPI and the three main elements driving its adoption: relative benefit, observability, and complexity. **(Fahad, Mohammad Shahid, 2022)**. Peer-to-peer immediate advanced payment is made possible via UPI, which also allows for smooth interoperability across Indian banks. The study extends on the innovation resistance hypothesis by using two behavioural measures—privacy concerns and visibility—as well as two moderators—security concerns and word-of-mouth (WOM). It evaluated the hypothesis using cross-sectional data collected from UPI users aged 16 to 55. The results imply that use barriers and privacy concerns are the two most important aspects to be addressed in an effort to overcome customer opposition to keeping using UPI. The remaining important elements are visibility and picture barrier. Furthermore, it is discovered that security worries and WOM somewhat mitigate the effects on the relationships between the important factors and continued UPI use. **(Sayantan Khanra, Rojers P Joseph, Amandeep Dhir and Puneet Kaur, 2022)**. While there is a growing tendency toward UPI preference, but at a decreasing rate. Furthermore, there is a significant difference in consumption habits between male and female respondents in both urban and rural locations. **(Rasna T.P.P, S.Susila, 2021)**. Expectations for performance, use intention, and grievance resolution are important positive indicators of how customers would use mobile payments and primary contributions include emphasizing the importance of attitude in consumer adoption studies and looking at usage behaviour rather than just behavioural intention **(Pushp Patil, Kuttimani Tamilmani, Nripendra P. Rana, 2020)**. The sample consisted of responses from young individuals who are versed with current technology and are between the ages of 18 and 35. The study indicated that there were strong relationships between perceived utility, compatibility, simplicity of use, insecurity, and behavioural intention to embrace digital payment, which supports the theory. **(Shetu, S. N., Islam, M. M., & Promi, S. I., 2022)**. Intention to utilise mobile payment varies by kind, with performance expectancy and habit being important predictors of intention and use behaviour. Social influence and effort anticipation were poor predictors of intention. Furthermore, enabling circumstances did not influence usage behaviour. **(Martinez, B. M., & McAndrews, L. E., 2023)**. The behavioural intention to use UPI services was found to be significantly correlated with perceived efficiency, effort expectation, and social influence. Age and gender, however, had no discernible effects on the variables influencing the uptake of UPI services. **(Tushar Ranpariya, Dr. Aarti Joshi and Dr. Amit Rajdev, 2022)**. The post-graduate students mostly use UPI for financial transfers and cell phone recharges. It is also clear that using UPI to make transactions has grown popular. Even with a number of challenges, students are using UPI to transact was a notable variation among the respondents' age group groupings. The researchers have recommended that in addition to ensuring UPI's cyber security, regulators should take the required steps to promote UPI's widespread usage. **(G. Sankararaman, S. Suresh, T.C.Thomas, 2023)**. There are notable changes in the influence of perceived risk, pleasure, and effectiveness on intention-to-use between older and younger consumers, with the former showing bigger disparities. **(Natarajan, T., Balasubramanian, S. A., & Kasilingam, D. L. (2018)**. The study's conclusions showed

that a sizable percentage of participants—more than 61%—were familiar with and favoured using this method of payment over UPI. Online shopping, fund transfers, and bill payment were the three most popular use cases for UPI payments.(**N.Bharath, 2023**). Consumers who choose to embrace and utilise UPI payments have significant behavioural intentions that are influenced by performance expectancy, effort expectancy, conducive conditions, and cashback & rewards.(**Rishabh Jha,Rohit Kumar,2021**).It turns out that the barriers to usage, risk, and tradition had the greatest correlations with the intention to use UPI apps.( **S.Gautam, K. Jain , & V.Singh ,2021**). It's surprising to see that women under 40 prefer using UPI over cash transactions. Women's preferences for UPI or cash as a payment method are unaffected by their occupation, although their age and job status influence their understanding of UPI and its use.(**J.Thakkar & P.Thakkar,2023**). It was shown that performance anticipation, trust, pricing value, and security were all significantly and positively related to behavioural intention.(**Mallik, P. K., & Gupta, D,2021**).App performance, convenience of use, habit, and social influence, which were not previously important in determining a user's willingness to use the app, are now vital(**Shivdas, A., Ray, S., Menon, D. G., & Patri, R. 2023**).Customer satisfaction is strongly correlated with speed, indicating that rapid bank-to-bank transactions are widely accepted but people are still hesitant to transact higher-valued money (**Anjali. R.& Suresh A ,2019**). People are less likely to use digital payments due to privacy concerns, while transaction costs do not play a significant role in adoption. Access to digital payment methods also has a positive impact on persistence when compared to physical money or credit cards.(**Moses Jayakumar, H. A., & Gupta, D , 2018**).

### RESEARCH METHODOLOGY

Primary and secondary data are the methods used to acquire the data. A structured questionnaire transmitted through Google Form was used to gather primary data from 200 respondents who fall into over-35 age bracket. Of which 53% are women and 47% are males. The majority of respondents were in the 36–50 age range. Only the districts of Kollam and Alappuzha in South Kerala are the subjects of the study. Analytical methods such as percentage analysis and correlation are used to analyse the data. Secondary data was retrieved from the official portal of National Payments Corporation Of India.

### HYPOTHESIS DEVELOPMENT

**H1:** There is a relationship between Technological problem and UPI Usage.

Even with reliable internet, processing delays might occur owing to server overload or technical issues at banks or payment service providers (PSPs). This can be inconvenient and confusing for users.

**H2:** There is a relationship between Poor internet connection and UPI Usage.

UPI transactions rely largely on a consistent internet connection, which can be challenging in locations with low or inconsistent network coverage, particularly in rural areas. This might cause transaction failures and irritation for users.

**H3:** There is a relationship between Discomfort using Technology and UPI Usage.

Feeling overwhelmed by the process, unfamiliar terms, or complex app interfaces and unsure about using advanced features like offline payments, QR codes, or international transactions can lead to discomfort.

**H4:** There is a relationship between Lack of Trust and UPI Usage.

Hesitation to use a new technology, as well as concerns about the system's reliability, can lead to discomfort.

**H5:** There is a relationship between Fear and Anxiety and UPI Usage.

The possibility that someone may get access to their bank account and conduct unauthorised transactions via UPI, as well as the uncertainty of receiving refunds or reversals, is a serious issue.

**H6:** There is a relationship between Lack of devices and UPI Usage.

A large portion of the population, especially in rural areas, might not own smartphones, the primary device for using UPI. This excludes them from the entire digital payment ecosystem.

**H7:** Language Barrier impacts UPI Usage.

Interfaces and instructions accessible solely in a few languages may exclude users who are unfamiliar with those languages. This might cause fear and dissatisfaction, lowering financial inclusion.

**H8:** There is a relationship between Lack of awareness and UPI Usage.

Limited knowledge of digital payment systems and financial products might lead to uncertainty and unwillingness to use new technologies such as UPI.

**H9:** Offering rewards will have a positive impact on the use of UPI.

**H10:** Other UPI utility services offered have a significant relationship with UPI Usage.

### GROWTH OF UPI PAYMENT SYSTEM .

According to the NPCI website the number of participated banks, transaction volumes and values can be depicted as follows.

Year	No. of Banks live on UPI	Volume (in Million)	Value (in Cr.)
2016	35	1.99	707.93
2017	67	145.64	13,174.24
2018	129	620.17	102,594.82
2019	143	1,308.40	202,520.76
2020	207	2,234.16	4,16,176.21
2021	282	4,566.30	8,26,848.22
2022	382	7,829.49	12,82,055.01
2023	522	12,020.23	18,22,949.42

In 2016, as per the NPCI statistics only 35 number of banks were involved and 1.99 million transactions at a value of 707.93 Cr. Current data shows an immense growth in the usage of UPI Payment system as the number of banks involved is 522 and 12,020.23 million transactions at a value of 18,22,949.42 Cr.

## DATA ANALYSIS AND INTERPRETATION

### I. Percentage analysis

**Table 1: Awareness about UPI Payment.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	158	79.0	79.0	79.0
No	42	21.0	21.0	100.0
Total	200	100.0	100.0	

#### **Interpretation:**

Table 1 shows that among 200 respondents, 79% are aware about the UPI payment system and 21% respondents are not aware.

**Table 2: Usage of UPI service.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	136	68.0	68.0	68.0
No	64	32.0	32.0	100.0
Total	200	100.0	100.0	

#### **Interpretation**

Table 2 shows that 68% of respondents are using UPI Payment system and 32% are preferring traditional method of payment.

## II. Correlation Analysis

The research reveals that there is a relationship between the variables and UPI Usage. Pearson product correlation of technological problems and UPI Usage was found to be very low negative correlation ( $r = -.288$ ,  $P < .001$ ). This shows that an increase in technological problems would lead to less UPI Usage among consumers. Pearson product correlation of poor internet connection and UPI Usage was found to be very low negative correlation ( $r = -.262$ ,  $P < .001$ ). This shows that an increase in poor internet connection would lead to less UPI Usage among consumers. Pearson product correlation of discomfort using technology and UPI Usage was found to be very low negative correlation ( $r = -.388$ ,  $P < .001$ ). This shows that an increase in discomfort using technology would lead to less UPI Usage among consumers. Pearson product correlation of lack of trust and UPI Usage was found to be very low negative correlation ( $r = -.362$ ,  $P < .001$ ). This shows that an increase in lack of trust would lead to less UPI Usage among consumers. Pearson product correlation of Fear and anxiety and UPI Usage was found to be very low negative correlation ( $r = -.410$ ,  $P < .001$ ). This shows that an increase in Fear and anxiety would lead to less UPI Usage among consumers. Pearson product correlation of Lack of devices and UPI Usage was found to be very low negative correlation ( $r = -.418$ ,  $P < .001$ ). This shows that an increase in Lack of devices would lead to less UPI Usage among consumers. Pearson product correlation of Language barrier and UPI Usage was found to be very low negative correlation ( $r = -.400$ ,  $P < .001$ ). This shows that an increase in Language barrier would lead to less UPI Usage among consumers. Pearson product correlation of Lack of awareness and UPI Usage was found to be very low negative correlation

( $r = -.377$ ,  $P < .001$ ). This shows that an increase in Lack of awareness would lead to less UPI Usage among consumers. Pearson product correlation of offering rewards and UPI Usage was found to be moderate positive correlation and statistically significant ( $r = .635$ ,  $P < .001$ ). This shows that an increase in offering rewards would increase the UPI Usage among consumers. Pearson product correlation of other utility services and UPI Usage was found to be moderate positive correlation and statistically significant ( $r = .662$ ,  $P < .001$ ). This shows that an increase in other utility services would increase the UPI Usage among consumers.

### FINDINGS AND SUGGESTIONS

The research primarily focused on the primary data collected from 200 sample of middle and old aged people in-order to observe their awareness of the UPI payment system and the factors affecting beyond the usage of UPI. Along with this objective, this research also examine the growth of UPI products in India till 2023 from the year of its implementation,(2016). According to NPCI figures, in 2016, only 35 banks were involved in 1.99 million transactions worth 707.93 crore. Current data reveals a massive increase in the use of the UPI Payment system, with 522 banks engaged and 12,020.23 million transactions valued at 18,22,949.42 crore. It is found that only 79% of respondents are aware about the UPI payment system and other 21% are not aware. Among them only 68% respondents are the users of UPI system. The rest 32% respondents are not using the online payment system. All the constructed variables in this research are associated with the variable UPI Usage. Technological problems, Poor internet connection, discomfort using technology, lack of trust, Fear and anxiety, Lack of devices, Language barrier, Lack of awareness have low negative correlation. This shows that an increase in these variables would lead to less UPI Usage among consumers. On the contrary, rewards offered by the UPI Apps and other utility services like mobile recharging, electricity payment etc. have moderate positive correlation with the UPI Usage among consumers. This shows that an increase in these variables would increase the UPI Usage among consumers.

The current study's findings suggest potential theoretical contributions to existing literature. The research findings have various practical consequences. The findings from the research will surely help service providers enhance their procedures so that middle-aged and older clients are more inclined to employ them.

It is suggested them to build the payment applications in a way which is simple and easier to use. The findings also aims to provide information to the legislators and other government authorities in order to take initiative to conduct awareness classes among aged people.

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