



## A STUDY ON “DIGITAL TRANSFORMATION WITH REGARDS OWN UPI OFFERINGS”

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### **Abstract**

*Digital transformation means use of digital technology platforms in order to meet business challenges and to face severe competition. The main objective is to increase the value to customers and to transform traditional business processes into digitalised methods. As a part of digitalisation, now a day many online delivery apps are come in to existence. But they were mostly used and benefitted during COVID19 pandemic. It put long term effects in the society. So the scope of online delivery increases and thereby these delivery channels are forced to use UPI apps instead of depending on cash transactions. National Payments Corporation of India (NPCI) developed UPI (Unified Payment Interface) apps which facilitates transfer of fund from merchant to customers and vice versa through banking platforms. The famous UPI apps are PhonePe, GooglePay, Paytm and so on. As mentioned above many of the delivery channels like Zomato, Flikpart, Swiggy etc. are using UPI apps for transacting their business. But Amazon lauched their own payment gateway which is known as AmazonPay and also other apps like Zomato and Flipkart are working on its own UPI offering instead of using other payment gateways for smooth running of business. These own UPI offering allows the customers to pay directly through the app itself without any third party involvement. To put it in a nut shell, use of delivery apps may raise incredibly in future and it will get innovative day by day. So this paper mainly focuses on the features and reasons for launching their own UPI instead of using other payment gateways.*

**Keywords: Technology, Digitalization, Financial Inclusion, COVID19, UPI, Customers, Merchant.**

### **Introduction**

The scope of digital transformation increases day-by-day and it resembles cashless economy. Now a days many organisations are adopting digital technology in order to modernise their business operations. Forecast reveals that, in 2026 an amount of \$3.4 trillion will be spent on digitalization globally. The key indicators of digital transformation include data, technology, people and processes. Artificial Intelligence and Machine Learning plays a vital role in digital transformation trends in 2023. Apart from that, many online apps are come in to existence with the objective of making the human lives easier, faster and convenient. Customers get up-to-date information, easy payment, tracking facility, retrieve history of transactions, cash back facilitates, feedback facilities are the main features of delivery apps. Now, these delivery apps may use UPI apps for transacting their business. In India most of the banks introduced UPI apps in 2016. According to NPCI, 8.7 billion UPI transactions happed in March 2023. To ensure financial inclusion in digitalization, the government of India launched UPI.

### **Review of Literature**

**Ritu Vij (2023)** found that financial inclusion was a challenging one and through UPI we can make it as a possible thing. Government is taking all measures to promote cashless economy among the youth. **Jayaram Narayanan (2021)** has concluded that use of UPI increases day by day and there by credibility of the country also increases. He also observed that sudden growth, no incentives for investments, accountability for failed transactions, complex structure and multiple failure points are the reasons for increasing technical glitches.

**Mahesh A & Ganesh Bhatt (2021)** mentioned that Simplicity, Innovation, Adoption, Security and Cost effective is the main key benefits of UPI apps at the same time it has some threats like lack of awareness, security problems, lack of grievance redressal system etc.

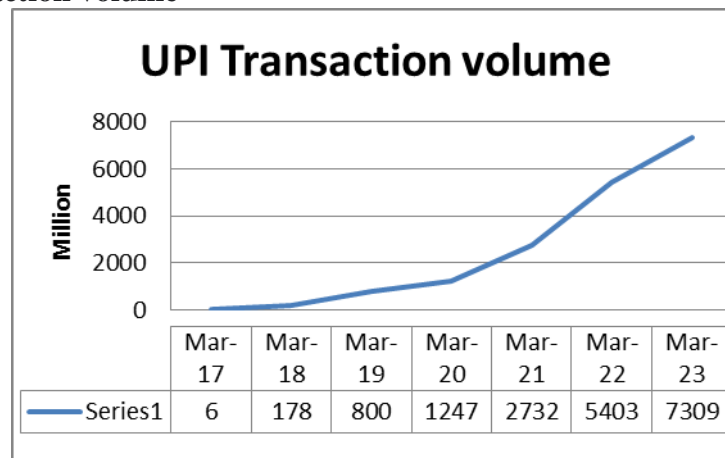
### Objectives

- (i) To study the features of UPI apps.
- (ii) To study the reasons for launching their own UPI apps.

### Research Methodology

The study is conceptual in nature and the data were collected from different books, journals, newspapers and websites in order to make the study an effective one.

### Growth of UPI transaction volume



### Uniqueness of UPI apps:

- ❖ While using UPI apps, no transaction costs are levied. But while using debit cards, credit cards and other e-payment methods they charged nominal fee.
- ❖ Through UPI apps, we can make payments by just a click without any complications.
- ❖ UPI allows multiple bank accounts.
- ❖ All UPI apps are 24 hours working as well as it facilitates immediate payment.
- ❖ It promotes cashless economy thereby a part of digitalization.
- ❖ It helps to remove time and location barriers.
- ❖ There may be delay in payments if there is any network issues
- ❖ Possibility of hacking personal data.
- ❖ Most of the people lack digital illiteracy. So financial inclusion is not possible.
- ❖ Third-party involvement is there (other than banks and merchants).

### Reasons for using own UPI apps

Now a day, many delivery apps try to create their own UPI instead of using other UPI apps. With UPI service, customers can make payment directly through the apps itself by avoiding third party involvements. There by merchant can give more offers, discounts, rewards etc. to customers and they need not depend on other payment gateways. The merchant can achieve cost effectiveness while using own UPI apps and can explore the market as well as to resolve customer related problems with regard payments directly.



### **Conclusion**

In India, UPI is still in its infancy stage and it requires a lot of improvements. NPCI is taking all necessary steps to reach the UPI transactions at global level and there by financial inclusions also. To conclude that, now many online delivery apps using other payment gateways like phonepe, google pay etc. but launching own UPI ID is beneficial to both merchants and customers. They need not depends third parties, if strong and genuine own UPI exists. It provides opportunity to each and everyone in the country as a part of cashless economy.

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