

A Comparative Analysis Between Unified Payment Interface and Cards Payments (Credit Cards) with Respect to South Delhi Region

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ABSTRACT

With the launch of Unified Payment Interface by the National Payment Corporation of India in the Indian financial sector, it has proved to be a successful initiative to create a comfortable environment for the Indian customers. UPI has developed a space for the people where they do not have to depend exclusively on a single mode of transaction; they have the privilege to select from multiple applications which can cater to their requirements. Earlier there were other payment modes which to a certain extent has brought comfort to people's lives in terms of doing daily transaction such as credit cards/ debit cards. Before the evolution of the multiple payment modes in the Indian market and complete digitization of the Indian economy, banking sector has launched card payment as a medium of doing daily payments and brought an ease into the lives of the Indian people. Under this paper, the researcher will be doing a thorough comparative analysis between the Unified Payment Interface and the card mode of payments (Credit Cards) & this research will be conducted under the descriptive research methodology with closed ended well- structured questionnaires designed in 5- point Likert scale. The acquired results will accentuate the advantages and disadvantages between both the payment styles in terms of 3 objectives such as: Security, Comfort and, Accessibility.

Keywords: Card Payment, UPI, Banking Sector, Advantages& Disadvantages.

INTRODUCTION

The National Payment Corporation of India, under the guidance of Ex RBI Chairman Sh. Raghu Ram, has launched Unified Payment Interface. Since the time of its launch it has created an ambience of flexibility and comfort. Before the development of the digital ecosystem in Indian financial sector, the banking sector has contributed in creating a technologically advance, flexible and comfortable environment for the Indian people. It has launched the card payment methods and made the monetary transactions simpler for the Indian consumers. Credit cards changed the face of the Indian Economy. People who were earlier reluctant to use this medium for doing daily transactions have now become fluent in its usage. Andhra Bank was the first bank to launch Visa cards in Public interest. With the technological advancement these credit/debit cards are connected with the newly developed applications, so that the financial transactions could happen in real time. These applications are consolidated under one umbrella term i.e. Unified Payment Interface. UPI has connected these cards with a single pin number which could be used in multiple applications for doing daily transactions. UPI is considered to be faster, quicker and secure where as card payments are still a choice for senior citizens for doing direct payments. Under this topic, a comparative study will be done between the UPI payments and the Cards Payments highlighting their advantages and disadvantages.

NEED OF THE STUDY:

With the advent of digitalization in Indian commerce and introduction of multiple ways of doing monetary transactions, an amount of relief has been generated into the minds of the Indian customers over the period of time. *This study has been conducted to find out the disadvantages and advantages between the cards style of payments(credit card) and the new age Unified Payment Interface with particular significance towards 3 aspects such as the level of security, amount of comfort and accessibility.*

OBJECTIVES:

- ❖ To discover the *amount of security* between both the style of payments.
- ❖ To find out the *rate of comfort* between both the style of payments.
- ❖ To highlight the *accessibility* of both the style of payments

LITERATURE REVIEW:

- ❖ *Richa Goel, Seema Sahai, Anita and Vikas Garg, (2019)*, this study focuses upon the transition of the Indian economy towards a cashless economy and this switch is due to the influence of the benefits and offers which people could avail from this transition.

- ❖ *Lovejit Kaur,(2018)*, this study talks about the challenges and the opportunities which Indian economy might face while accepting the cashless mode of transactions and the importance of removing the usage of physical cash from the economy.
- ❖ *Harshal dev,Raj Gupta and Dhruv Kumar,(2024)*, this article talks about the customers spending and importance of digital payment in today's time and the level of security these digital payments provide to the customers.
- ❖ *Dr.Divya (2018)*, this study focuses upon the topics of e-banking and the significance of credit cards in today's world and also highlights the growth of the banking sector after the launch of the credit cards.
- ❖ *Dr.A. Vinayagamoorthy, K. Senthilkumar (2012)*, this study accentuates the growth of the plastic money or the card money in the Indian economy and it also talks about the physical features of the cards.
- ❖ *Shilpa NC and Amulya M. (2019)*, this study observes the issuance of the card payment in the Indian economy. It basically analyzes the growth of card payment and how it contributed to the economic growth.

RESEARCH METHODOLOGY:

Research methodology explains the overall framework of the research that is to be conducted. The methodology consists of the survey methods, data collection process and its interpretation on the research paper. This methodology will accentuate the relevant details on the aforementioned topic. The descriptive style method will be used to conduct the whole research study, the sample will be collected with the help of simple random sampling which will brighter the chances of selection of maximum number of population in the sample size and it could depict a more vivid picture of the public opinion on a particular topic. To collect the primary data the researcher would be using a closed- ended and well structured questionnaire designed under 5 - point Likert scale and framed with using google forms. The secondary data will be collected through internet, books and news articles. Overall, this research will conspicuously show a comparison between the Credit card payments and the UPI payments applied by the Indian customers.

DATA INTERPRETATIONS:

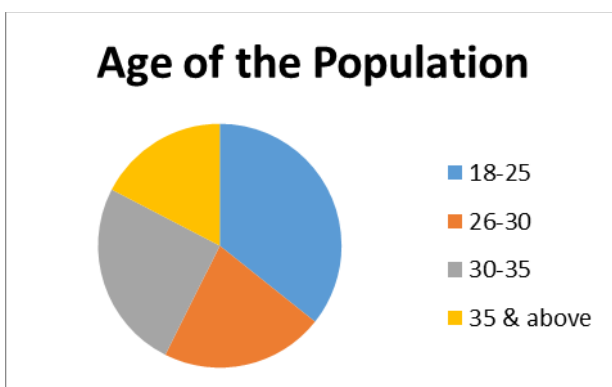
The data collected through a well- structured questionnaire has been represented with the help of pie- charts and the generated data will be written in the percentage form along with the Pie- Charts. Total Number of responses generated is **115**.

The demographic composition of the research is divided amongst Male and Female and also the section of people who doesn't prefer to disclose it. The four heads on the basis of which the data has been collected are stated below:

- **Demographic Composition**
- **Comfortable modes of Payments**
- **Level of Security**
- **Customers Access towards different modes of Payments.**

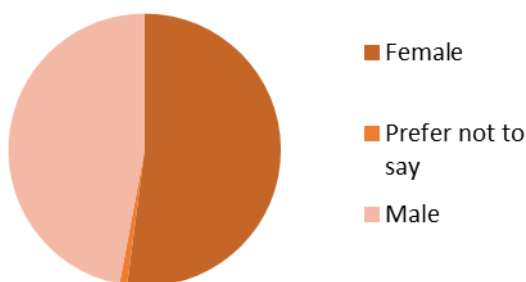
These heads are further sub- divided into relevant questions.

DEMOGRAPHIC COMPOSITION



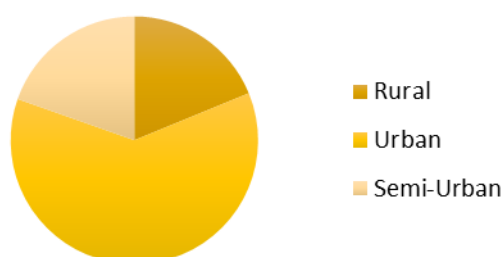
18-25	(35.7%)
26-30	(21.7%)
30-35	(25.2%)
35 & above	(17.4%)

Gender



Female:	(52.2%)
Male:	(47%)
Prefer not to say:	(0.9%)

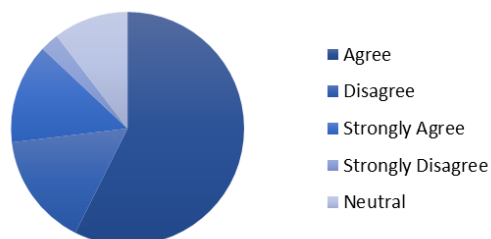
Location



Rural:	(18.8%)
Urban:	(61.6%)
Semi- Urban:	(19.6%)

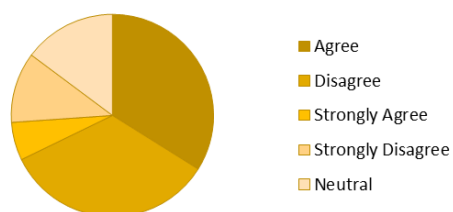
COMFORTABLE MODES OF PAYMENTS

Does Credit Cards being and easier mode of Payments before UPI



Agree:	(57.4%)
Disagree:	(15.7%)
Strongly Agree:	(13.9%)
Strongly Disagree:	(2.6%)
Neutral:	(10.4%)

Does Credit/ Debit Cards modes of Payments are more flexible than UPI



Agree:	(33.9%)
Disagree:	(33.9%)
Strongly Agree:	(6.1%)
Strongly Disagree:	(11.3%)
Neutral:	(14.8%)

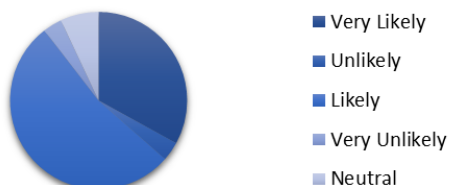
Do you believe UPI is much convenient to use than any other mode of payments.



Never:	(0.9%)
Always:	(70.2%)
Rarely:	(5.3%)
Sometimes:	(14%)
Often:	(9.6%)

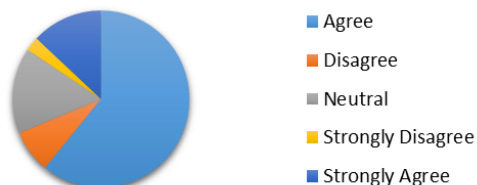
LEVEL OF SECURITY

Do you Think the UPI is much Safer than any other mode of Payments. If Yes,



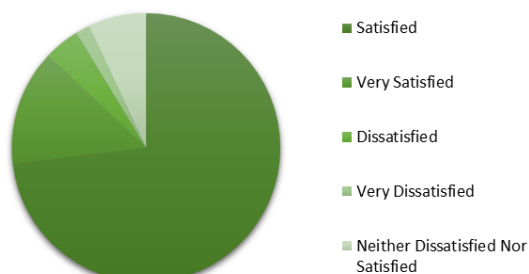
Very Likely:	(33%)
Unlikely:	(3.5%)
Likely:	(53%)
Very Unlikely:	(3.5%)
Neutral:	(7%)

Does card payment is considered as secure for doing online transactions.



Agree:	(60.9%)
Disagree:	(7.8%)
Strongly Agree:	(13%)
Strongly Disagree:	(2.6%)
Neutral:	(15.7%)

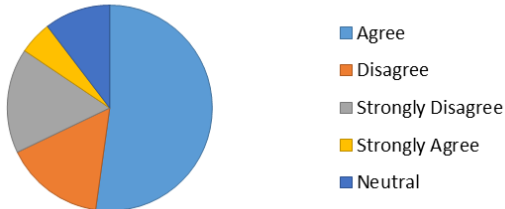
Do you trust UPI for doing maximum transactions than any other form payment



Satisfied:	(73%)
Very Satisfied:	(13.9%)
Dissatisfied:	(4.3%)
Very Dissatisfied:	(1.7%)
Neither Dissatisfied nor Satisfied:	(7%)

CUSTOMERS ACCESS TOWARDS DIFFERENT MODES OF PAYMENTS

Do you believe customers use UPI maximum times for doing big transactions as compared to card payments . If yes, then Comment



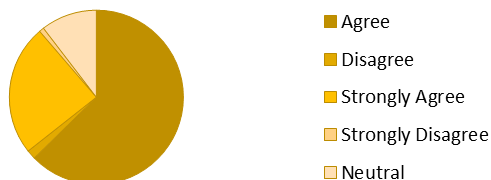
Agree:	(52.2%)
Disagree:	(15.7%)
Strongly Agree:	(5.2%)
Strongly Disagree :	(16.5%)
Neutral:	(10.4%)

Do you think credit cards have better benefits and offers than other digital payments



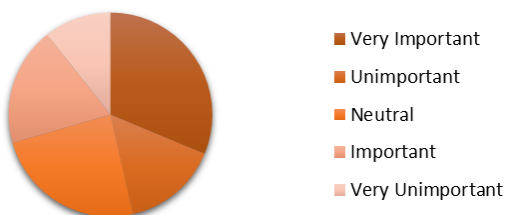
Never:	(6.1%)
Always:	(40.9%)
Rarely:	(7%)
Sometimes:	(33%)
Often:	(13%)

Is UPI is considered as the future of the Indian Economy as compared to the card...



Agree:	(62.6%)
Disagree:	(1.7%)
Strongly Agree:	(24.3%)
Strongly Disagree:	(0.9%)
Neutral:	(10.4%)

The cards payments are much acceptable in the society for doing petty transactions than UPI. If yes, Comment.



Very Important:	(31.3%)
Unimportant:	(15.2%)
Neutral:	(24.1%)
Important:	(18.8%)
Very Unimportant:	(10.7%)

DATA ANALYSIS:

A survey was conducted with the help of a well- structured questionnaire to accentuate a detailed comparison between the advantages and disadvantages of using Unified Payment Interface and Card Payment style of doing transactions. The data has been collected under four heads mentioned above which is further divided into sub-heads and questions. The Interpretations of the customers responses has been presented in the form of pie charts as aforementioned and the detailed analysis will be generated in a tabular form given below:

ANALYSIS -1

The total number of generated responses is 115, out of which the maximum number of females have responded with 52.5%, males are on the second highest responders with 47% and the least number of customers were from third category which is prefer not to say with 0.9% of responses. As per the location category, customers from the Urban background have maximum taken part into this survey i.e. 61.6%, 19.6% of customers are from Semi-Urban area especially from the extended regions of the Delhi NCR who have participated in this survey and the 18.8% of people were people from the rural backdrop who have participated into this survey. These collected responses were from the demographic composition of the conducted survey.

TABULAR REPRESENTATION OF THE COLLECTED DATA

(Demographic Composition)/Sub Heads		%age of pp	(Comfortable mode)/Sub Heads		%age of pp	(Level of Security)/Sub Heads		%age of pp	(Accessibility)/Sub heads		%age of PP
Age	18-25	35.7%	Credit cards easier mode payment before UPI	Agree	57.4%	UPI is much safer than any other mode of payment	Very Likely	33%	UPI trustworthy for using doing big transactions	Agree	52.2%
	26-30	21.7%		Disagree	15.75%		Unlikely	3.5%			15.7%
	30-35	25.2%		SA	13.9%		Likely	53%			5.2%
	35& above	17.4%		SD	2.6%		Very unlikely	3.5%			16.5%
				Neutral	10.4%		neutral	7%			10.4%
Gender	Male	47%	CC or DC are more flexible than UPI	Agree	33.9%	Cc are safer for online transactions	Agree	60.9%	CC have better offers and benefits	Never Always Rarely Sometimes Often	6.1%
	Female	52.5%		Disagree	33.9%		Disagree	7.8%			40.9%
				SA	6%		SA.	13%			7%
	Prefer not to say	0.9%		SD	11.3%		SD	2.6%			33%
				Neutral	14.8%		Neutral	15.7%			13%

Location	Rural	18.8%	UPI as more convenient than other payment modes	Never	0.9%	UPI is trustworthy for doing max transactions	Satisfied	73%	UPI has better future in Indian Economy	Agree	62.6%
	Urban	61.6%		Always	70.2%		VS	13.9%		Disagree	1.7%
	Semi-Urban	19.6%		Rarely	5.3%		Dissatisfied	4.3%		SA	24.3%
				Sometimes	14%		VD	1.7%		SD	0.9%
				Often	9.6%		Neither DS Nor S	7%		Neutral	10.4%
									Cards are considered more for doing petty transactions	V. Imp	31.3%
										Unimp	15.2%
										Imp	24.1%
										Neutral	18.8%
										Very Unimp	10.7%

ANALYSIS 2:

On the comfort and flexibility basis, 57.4 percentage of customers have agreed that credit cards were easier mode of payments before the introduction of UPI(Unified Payment Interface) in the society where as 15.7% have disagreed with this point. Apart from this few customers had a strong opinion regarding this point such as 13.9% have strongly agreed with this point but 2.6 percentage of people have a strong disagreement on this point. Besides this, there are about 10.4% of customers who were neutral and couldn't decide on any particular option. This analysis was done to generate the comfort and the ease level regarding both the mode of payments. Another analysis was done on the basis of flexibility, 33.9% of customers believe that credit cards are suppose to be much flexible than unified Payment Interface. But on this particular point equal amount of customers have also disagreed i.e. 33.9%. 6.1% of customers have shown a strong agreement towards this point whereas 11.3% percent of customers have strongly disagreed on this point.. 14.8% have remained totally neutral on this. The last analysis was done on the basis of convenience, 70.2% of customers believe that UPI is always much convenient than any other mode of payment, 5.3% rarely believe on this, 14% thinks it is sometimes convenient, 9.6% often agrees on this convenience point and 0.9% of customers never thinks UPI is convenient than any other mode of payment.

ANALYSIS 3:

On the basis of safety, 53% of customers likely believe that UPI is safer than any other mode, 3.5% of people unlikely believe on this point. 33% of customers very strongly like this point where as 3.5% of people very strongly unlike this point. 7% of people have a neutral opinion about this point. On the trust basis, 73% of people are satisfied with the concept that UPI is most trustworthy for doing maximum transactions, 13.9% of customers are strongly satisfied with this concept where as 4.3% are dissatisfied with this concept and 1.7% have a strong dissatisfaction towards this. 7% of customers are neither satisfied nor dissatisfied with this topic. On the security basis, 60.9% of customers agree card payment are secure for doing online transactions, 13% are strongly agrees on this point, 7.8% disagree on this topic and 2.6% have a strong disagreement on this topic but 15.7% have a neutral opinion on this.

ANALYSIS 4:

On the basis of Accessibility, 52.2% of people think UPI is used for doing big transactions, 5.2% strongly agreed upon this and 15.7% disagrees upon this and 16.5% have a strong disagreement on this point where as 10.4% people have a neutral opinion on this. In terms of benefits and offers, 40.9% always believes credit cards have better offers and benefits, 33% believes it sometimes have better benefits& offers, 13% customers believes it often have benefits and offers where as 6.1% believes it never have better offers and benefits. UPI is considered as a future of the economy, 62.6% of customers agrees with this statement and 24.3% of customers strongly agrees to this where as 1.7% disagrees to this statement and 0.9% strongly disagrees to this. On the point of acceptability for doing petty transactions, 31.3% of customers thinks cards are very important and 18.8% of customers also thinks cards are important where as 15.2% of customers thinks they are unimportant and 10.7% customers strongly think it is very unimportant for doing petty transactions and 24.1% of customers thinks neutrally about this statement.

OVERALL ANALYSIS:

This research has given a clear picture of advantages and disadvantages between the utility of card payments and Unified Payment Interface. The data collection represents that maximum young age group and females' population were interested in taking this survey and customers from the urban area were much aware about the topic. According to the data collected, credit cards are considered as an easier mode of doing transactions before UPI was introduced. It was considered much flexible than UPI but on this ground equal amount of customers were also against this particular point. Maximum number of customers also believe that UPI is much Convenient to use than any other mode of transactions. On the terms of security and accessibility, Mostly customers thinks UPI as a safer for doing maximum transactions where as credit cards are also considered secure for doing online transactions. Customers trust UPI for bigger transactions and consider it as a future of the Indian economy but still credit cards believed to be having better offers and benefits for the customers. They are also mostly acceptable for the petty transactions.

CONCLUSION:

This research has been conducted to generate an understanding about the impact of Unified Payment Interface on the society and the customers' opinion about it and also drawing comparison between the usage of UPI and Cards payments for doing transactions on daily basis in the terms of its comfort, security and accessibility. The Overall research has been divided under 3 heads. Such as: Demographic Composition, Comfortable Modes of Payments, Customers access towards different modes of Payments and level of Security. While conducting this research, I, have come across that UPI has become an Indispensable need into the daily lives of people. With the development of a digital environment people need a technology which can be used for doing petty transactions and they are willing to get freedom from using cash for small transactions. Unified Payment Interface has given an Opportunity to every section of society to do their daily payments without much hassle. Despite being an important contribution to the society there are still a certain section who are little skeptical in using UPI as their only choice for doing transactions. Before the period of complete digitization, the banking sector has provided a new and advanced method of doing transactions which can be flexible and comfortable for the Indian people such as card payments. Card payment has changed the outlook of the Indian people. It was hassle free to use for the people of any age group. This research signifies that still there are many people who believe that credit cards are much easier and flexible to use as compared to UPI payments which are entirely technologically based. On the contrary, UPI are considered as the safest mode of transaction as compared to any other mode of transaction. Therefore, this paper would highlight the advantages and disadvantages of using both the methods of payments.

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