TRANSFORMING DIGITAL PAYMENTS: THE IMPACT OF UPI ON CONSUMER SPENDING BEHAVIOR IN INDIA

PannalaVenkata Naga Mani Sai Charan, Pamarthi Prudhvi Kiran, Yarlagadda Bala Siddardha, Saladi Chaitanya Vardhan, Ravi Rastogi
Computer Science & Engineering
Koneru Lakshmaiah Education Foundation, Vaddeswaram, Guntur, AP, INDIA

Indian digital payments have been transformed by the Unified Payments Interface (UPI), which simplifies, secures, and streamlines financial transactions. This study paper examines UPI's unprecedented performance, including technology advances, government initiatives, regulatory frameworks, and customer behavior dynamics. By analyzing academic literature, industry reports, and expert opinions, the study illuminates UPI's exceptional rise. While most studies have focused on the macroeconomic benefits of digital payments, this study examines how UPI affects Indian consumers' spending habits. The study uses questionnaires and interviews to gather 235 valid responses from diverse populations. UPI increased expenditure for 75% of respondents, indicating a significant trend. This emphasizes UPI's importance in customer purchasing power. Payments are easy on the platform (95.2%), and 91.5% of respondents are satisfied with UPI. These findings demonstrate that UPI meets customer needs and improves user experience. The report also suggests ways to improve UPI applications and help stakeholders promote responsible financial management and informed decision-making. This research sheds light on UPI adoption's individual consequences, affecting governments, industry actors, and users. By explaining how UPI changes user happiness and purchasing behavior, the study highlights the potential of digital payment systems to boost economic development and financial inclusion in India.

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