Impact of UPI-Based Digital Transactions on Consumer Behaviour in India

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Abstract

The widespread use of digital payment technologies like Unified Payments Interface (UPI) has transformed Indian consumers' financial behaviours. This study looks at the effects of UPI adoption on consumer spending, savings, and habits like overspending. The study examines the psychological and economic mechanisms behind this shift using survey data from 169 participants. Behavioural finance concepts like the 'pain of paying' and the Unified Theory of Acceptance and Use of Technology (UTAUT) are also used to understand the behavioural tendencies of UPI users. The results show that, especially among middle-class and digitally literate users, UPI adoption is linked to higher spending frequency, lower savings, and more impulsive spending behaviour. The paper concluded with policy recommendations to strike a balance between consumer protection and financial inclusion in India's rapidly digitizing economy.

Keywords: Digital finance, UPI, consumer behaviour, pain of paying, behavioural finance, India

1. Introduction:

The digital finance sector in India has witnessed remarkable expansion in recent years, with the total volume of digital transactions in FY 2024-25 exceeding 159 billion transactions. This figure is projected to

increase to 481 billion by fiscal year 2028-29 [PTI, 2024]. Technologies such as UPI (Unified Payment Interface) have driven this growth. UPI accounts for approximately 80% of digital payments in retail, and this number is expected to increase in the coming years. Digital payment tools, such as mobile wallets, online banking, and credit and debit cards have also gained significant popularity.

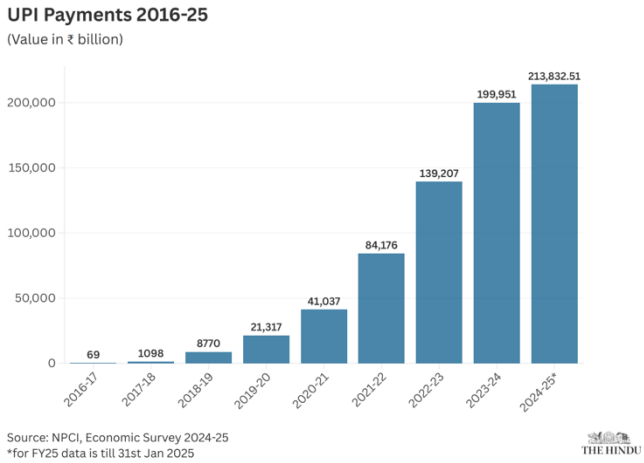

Figure 1: Value of UPI Payments from 2016-2025. Source: https://www.thehindu.com/business/upi-transactions-in-january-surpass-1699-billion-highest-recorded-in-any-month/article69273704.ece

UPI was launched in India in 2016. UPI is a peer-to-peer and peer-to-merchant payment system through which users can use a single mobile application to make payments from multiple bank accounts. The government's "Digital India" program and 2016 demonetization plan were the two main causes of the surge in popularity of online transactions. By increasing Internet access nationwide, encouraging digital literacy, and providing mobile banking, digital security, and identity services, the government's Digital India initiative seeks to make India a digital society. People also began using digital payments in their daily lives as a result of the Demonetization program, during which 86% of the currency was taken out of circulation, prompting people to use digital tools for payment instead. During this time period, digital payment use increased by 2.94% for all consumers, and for those who had an additional 10% dependence on cash prior to the demonetization, monthly spending increased by 2.38% after switching to digital transactions. Moreover, consumer spending remained high even when cash availability was restored. This behavioural change can be attributed to less salience of the 'pain of paying' and lower attachment to digital cash, which further encouraged spending [Agarwal et al., 2024].

The COVID 19 pandemic was the other major catalyst which drove India towards a cashless society. The pandemic significantly increased awareness of digital transaction tools in both urban and rural areas. During this period, people preferred digital transactions as they were contactless and safe. Mate and Kapdi [2021] found that the total value of UPI transactions increased during the pandemic; from ₹34.34 lakh crore in 2020 to ₹73.73 lakh crore in 2021. Mobile wallet usage also increased by 21.6% from January to October of 2020, and a consumer survey by the researchers showed that several Indians continued using digital transactions after the pandemic. Due to these factors, India has become a global leader in digital payments. Between 2016 and 2023, UPI transaction volume surged from a few thousand transactions a day to over 10 billion

per month [NPCI, 2023]. The Reserve Bank of India also launched e-RUPI in 2021, followed by a pilot for the Digital Rupee in 2022, signalling the next phase in the evolution of India's digital financial ecosystem.

Digital finance is changing the way Indian consumers deal with money, from their saving and spending habits to their confidence in digital transaction systems. The purpose of this paper is to investigate how consumer behaviour has been affected by the growth of digital transaction platforms in India, with a focus on UPI. To address this question, a survey was distributed to UPI users to understand their spending, savings and other behaviours after adopting UPI. According to the results, UPI adoption led to increased spending and more frequent purchases. Due to the ease of UPI transactions, some consumers also run the risk of engaging in overspending behaviour.

2. Literature Review

As digital finance tools such as e wallets, payment apps and mobile banking become more woven into everyday life, researchers have looked at how these technologies have shaped expenditure patterns. This section will look at key studies in the global and Indian contexts, which explore how digital payment systems have impacted consumer expenditure patterns.

The factors that drive people to adopt new technologies are elucidated by several different technology acceptance models. One such model is the Unified Theory of Acceptance and Use of Technology (UTAUT), proposed by Venkatesh et al. [2003]. UTAUT outlines four factors that influence the behaviour of adopting a new technology: performance expectancy (PE), effort expectancy (EE), social influence (SI) and facilitating conditions (FC). Three of these are relevant to the adoption of UPI technology. Effort expectancy is the degree of ease of using the technology, social influence is the degree to which individuals perceive that others believe they should use the system and facilitating conditions is the degree to which individuals believe that organizational and technical infrastructure exists to support use of the system. Strong expectations are more likely to result in the individual adopting and using the technology significantly. UPI is convenient, easy to use, widely accepted among Indian consumers and merchants, and has a secure technological framework, all of which promote adoption and continued usage of UPI. There are also some key psychological theories which explain the spending and overspending patterns associated with digital transactions. The pain of paying is the mental discomfort experienced by people when they spend money. It is felt more when paying with cash because the money is physically lost. However, when spending money digitally, the process is extremely quick which reduces the pain associated with losing the money. In this way, digital transaction tools like UPI disrupt mental accounting and encourage more spending than cash. Since there is no physical or explicit loss signal when spending digital money, people don't register the loss. Digital transactions are also extremely quick and seamless, which

increases the instant gratification of spending since the product spent on can quickly be obtained [Subramanya & Chandrasekar, 2025]. These factors have a significant effect on overspending due to using digital transactions. Ma et al. [2024] has also proposed the concept of 'pleasure of paying', which refers to the positive emotions, such as a dopamine rush, that is triggered by a positive digital transaction. These positive emotions can be felt due to the payment being seamless, fast and/or providing rewards and cashbanks. This effect, and reduced pain of paying, is seen more significantly for lower priced purchases. Digital transactions not only reduce the psychological resistance towards spending money, but also encourage further spending behaviour [Ma et al, 2024]. Hence, along with increased expenditure, overspending behaviour is also more likely to be caused by the use of digital transactions. Wang et al. [2022] further investigated the idea of pleasure of paying using electroencephalogram (EEG) signals and found that there are distinct neural signals for both emotions, suggesting that both the pain and pleasure of spending money are experienced simultaneously. However, only pain signals were observed during transactions with cash, which suggests that using cash causes only negative emotions. This explains how using cash reduces expenditure and using digital transactions not only increases expenditure but can also lead to overspending [Wang et al., 2022].

Many countries around the world have built digital transaction systems, which have shaped consumer spending and saving behaviours. In China, mobile payment apps like AliPay and WeChat Pay have significantly increased in popularity and usage, promoting digital transactions as the main method of payment for goods and services [GlobalData UK Ltd, 2024]. Li et al. [2019] found that digital finance usage is positively correlated with expenditure, and online shopping, obtaining online credit and purchasing financial products online were the main mediating variables through which digital finance affected household consumption. Digital finance was found to have a greater facilitating effect on household expenditure in low-income families and families in Tier 3 and 4 cities, as it helped them access credit and relieves liquidity constraints. This enables households to easily make purchases they might have otherwise postponed. Jiang [2022] conducted a field experiment in Chinese supermarkets which found that customers who used mobile payments significantly increased the amount purchased and the amount spent on each good. This effect of impulsive spending was more significant for goods with a high price elasticity, such as manufactured goods. Customers utilising mobile payments also had a higher willingness to pay (WTP) than those using cash since mobile payments reduced the psychological pain of spending money, as the money spent digitally felt less 'real'. A data analysis of the China Household Finance Survey of 2017 finds that households that use digital payments methods spend 20.63% more than those who do not [Hou et al., 2021]. Qian et al. [2023] analysed the China Household

Finance Survey 2017 dataset and found that mobile payment adopters spent more than non-adopters in four expenditure categories: clothes, durable goods, consumer goods, and cultural & leisure activities, which had the highest expenditure [Qian et al., 2023]. Similarly, after the COVID 19 pandemic, people adopted digital translation tools and tended to have higher expenditure, spending more on services like education and entertainment [Li et al., 2022]. In terms of digital transaction trends in other countries, Oyelami et al. [2020] observed a strong correlation between Nigerian consumers' spending and adoption of e-payment systems. The amount spent through e-payments was moderated by variables such as social influence, convenience, security, trust, and awareness. Similarly, Zain and Wittendorp [2024] used the Technology Acceptance Model (TAM) to study digital finance adoption in Indonesia. They discovered that spending behavior was positively impacted by the perceived utility, usability, and security of Indonesia's Gopay app, which functions similarly to UPI [Zain & Wittendorp, 2024]. A study conducted in Riyadh, Saudi Arabia found that a 1% increase of e-wallet use correlated with a 0.734% increase in consumer expenditure, demonstrating the risk of overspending when using digital finance tools [Yousef, 2024]. A similar pattern of digital transactions having a positive effect on household consumption expenditure, especially during the pandemic, has also been observed in Turkey [Pala, 2024].

Research on the effect of digital transactions on consumer expenditure in India has revealed similar trends of increased expenditure in consumers who have adopted digital payment methods. In line with technology acceptances models, perceived ease of use and promotion discounts have a mediating effect on digital transaction usage, which leads to higher expenditure among Indian users too [Singh & Shanmugam, 2024]. Hasan et al. [2024] found that perceived value, trust, ease of use and social influence were the most significant determinants of behavioural intention to use mobile wallets among Indian youth. Among these factors, trust had the strongest influence, followed by ease of use. This suggests that digital transaction systems like UPI, which prioritize secure and smooth, stress-free transactions are more likely to be adopted by Indian youth. Agarwal and Subnani [2025] proposed a theoretical model of digital payment, stating that there is a correlational relationship between digital payment usage, lower pain of paying and impulsive spending behaviours. Digital payment usage also changes attitudes towards financial management and makes people more financially irresponsible, as shown by empirical evidence from different studies [Agarwal & Subnani, 2025]. However, financial knowledge can reduce the risk of overspending among mobile payment users. Financial knowledge and literacy have a moderating effect on the extent to which mobile payments cause overconsumption and difficulty with money management, and financial awareness and behaviours like tracking spending can reduce overspending tendencies [Kaakandikar et al.,

2024]. B Mahammad Rafee et al. [2022] found that digital finance tools like credit cards, Buy Now Pay Later (BNPL) schemes and mobile apps offering easy loans and discounts are causing a trend of increased spending and reducing saving among urbanites in Chennai and Bengaluru. As for the effect of exclusively UPI on consumer expenditure, Dev et al. [2024] conducted a survey in which 75% of participants reported an increase in their spending after getting UPI and 60% exceeded their budget and overspent. The study attributed this to UPI's 'intangible nature' since it happens quickly through a screen and the pain of paying is not experienced directly after the transaction, rather it is experienced much later while checking bank balances and spending history, which leads to spending without much thought. Moreover, the ease and convenience of being able to pay instantly with UPI is causing spending in increased amounts and frequency, especially among younger consumers [Nemaluri & Sah, 2025]. As for the effect of gender on digital transactions usage, Yadav and Sengupta [2025] found that the monthly per capita income of women with access to digital financial services was 42% higher than those who did not have access to these services. Digital finance and digital transaction tools can therefore improve financial inclusion, especially for women in rural areas where there is a lack of opportunities to avail credit and financial services. UPI has also gained significant popularity because it has been adopted by vendors and retail stores alike. Shivam [2025] found that due to features like cashback incentives, speedy transactions, and ease of use, Indian customers favoured UPI as a payment method in retail establishments. UPI users also reported making impulsive purchases and visiting stores more frequently.

While the body of existing literature offers insightful information on digital transactions and consumer spending trends, most studies have concentrated on the factors influencing UPI adoption, not enough research has been done on the psychological processes that account for the rise in spending following the implementation of UPI, as well as UPI users' spending habits and usage of budgeting apps. Furthermore, no research has been done on the precise factors that influence consumers' preference for UPI over cash. Last but not least, quick-commerce apps combined with instant UPI transactions enable the prompt delivery of goods, which can greatly raise consumer spending. Not enough research has been done on the connection between quick-commerce sites like Zepto and Instamart and UPI usage. In this study, the following gaps in existing research have been addressed through a survey.

3. Methodology

This study employs a quantitative survey-based design to assess the behavioural impact of UPI adoption. A structured questionnaire was administered to 169 respondents across India between January and March 2025. The survey captured demographic details, digital literacy, income, frequency of UPI use, and behavioural indicators including expenditure

patterns, saving habits, and self-reported impulsive spending.

Variables were defined as follows: (a) UPI usage frequency (categorical, 1–5), (b) expenditure increase post-UPI adoption (binary), (c) savings change (binary), and (d) impulsive spending frequency (ordinal). Statistical significance was tested at $p < 0.05$.

4. Results

4.1 Descriptive Statistics

The survey had 169 respondents. 9 respondents (5.3%) were less than 18 years of age, 62 (36.7%) were between 18 and 40 years, 96 (54.4%) were between 40 and 60 years and 5 (3%) were above 60 years. The average age was 41 and the median age was 42. 43 respondents were female (25.4%), 125 were male (74%) and one preferred not to say their gender. The highest qualification of the respondents was post-graduate (58%), followed by graduates (30.8%) and senior secondary and high school at 3.6% and 3% respectively. As for annual household income, 100 respondents (59.2%) reported an income of above ₹20 lakhs, 11 respondents (6.5%) reported an annual household income of ₹15-20 lakhs, 24 respondents (14.2%) reported an annual household income of ₹5-10 lakhs, 15 respondents (8.9%) reported an annual household income of ₹10-15 lakhs and 19 respondents (11.2%) reported an annual household income of less than ₹5 lakhs.

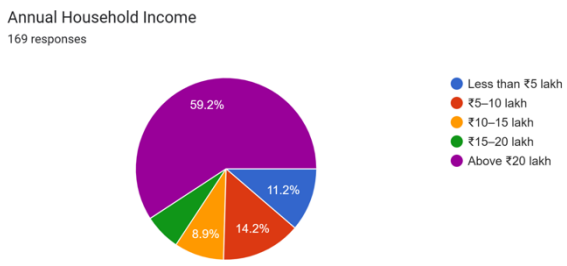

Figure 2: Annual Household Income of Respondents. Source: Survey Data

Majority of respondents (85.2%) reside in urban areas and 14.8% reside in rural areas. The most predominant religion of the respondents was Hindu (88.2%). The majority of respondents (55%) belong to the general/unreserved category. Finally, the most common occupation was in the private sector (59.2%), followed by self-employed/business (24.9%) and students (6.5%).

Practically the whole sample owns a smart-phone with data, holds a bank account and already uses digital payments, so "access" to digital transaction services is not a binding constraint on usage. Around 75% of respondents reported UPI as their most frequent mode of payment for online purchases and 90.5% of participants used digital modes for offline purchases, suggesting a high reliance on digital transactions, and especially UPI. For online purchases, half of the respondents (51.2%) used UPI most often and 34.5% (58) of respondents used credit cards, suggesting that UPI is popular for both online and offline purchases. When making large purchases of ₹5,000 or more, 48.2% of respondents (81) preferred using credit cards, 34.5% (58) preferred UPI, and 7.7% (13) preferred debit

cards.

The next section of the survey investigates frequency of UPI use and popularity of UPI apps. 29.9% of respondents used UPI more than 20 times a week, 22.1% used UPI 11-20 times a week and 30.5% used UPI 6-10 times a week. Respondents show a high reliance on UPI with 52% of them using UPI more than 10 times a week and 82.5% of respondents using it more than 5 times a week.

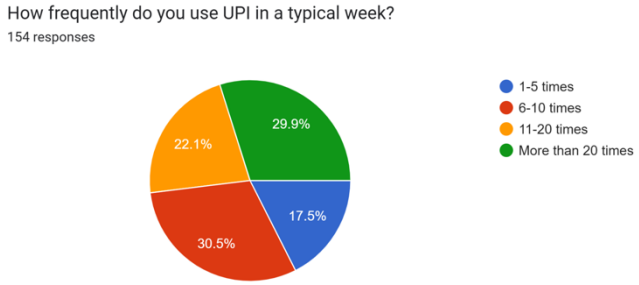

Figure 3: Weekly Frequency of UPI Usage Among Respondents. Source: Survey Data

The most popular UPI apps were Google Pay, used by 52% of respondents, and PhonePe, used by 27.3% of respondents. Nearly all of the respondents (98.1%) found UPI apps easy to use and didn't face any language or interface difficulties while using UPI apps. A significant majority of participants (62.3%) have also adopted UPI mainly because people around them, such as friends, family and shop owners, use it. This statistic is in line with theories of technology acceptance models as social pressure and influence were a significant reason for UPI adoption. 75.3% of participants have also encouraged someone else to adopt UPI.

The specific factors that influence UPI adoption are: convenience - selected by 117 respondents; easier to handle than cash - selected by 107 respondents; faster transactions - selected by 75 respondents; preference of UPI by vendors - selected by 36 respondents and security - selected by 28 respondents.

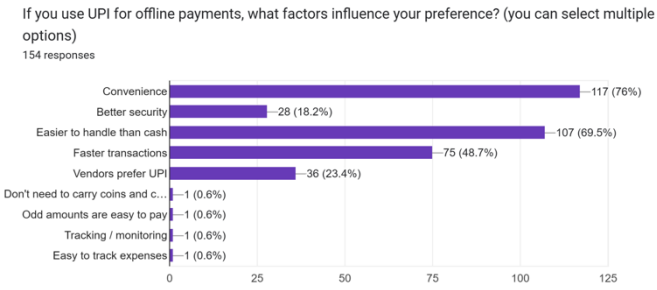

Figure 4: Factors Influencing Respondents Preference for UPI for Offline Payments. Source: Survey Data

78% of participants find UPI payments secure, however, 29% of respondents have also experienced at least one failed/fraudulent transaction while using UPI. These respondents are twice as likely to say that fraud concerns discourage their further use of UPI. 31.2% of respondents reported always checking their transaction history on their UPI app/bank account and 40.9% of respondents sometimes checked their transaction history, suggesting that many respondents tried to regulate and be aware of their spending patterns and history.

4 out of 5 respondents preferred UPI to cash for all transactions. The main reasons for this are: not having to worry about having exact change - mentioned by 72% of respondents, speed ('faster' and 'easier') and reduced ATM runs -

chosen by ~65% and ~61% of respondents respectively, convenience factors such as avoiding cash and having to only carry a phone - chosen by ~60% of respondents and cashbacks and rewards offered by UPI apps - chosen by 12%. Since the only monetary incentive (cashbacks/rewards) were chosen by a significantly smaller majority as the reason for preferring UPI over cash, this suggests that utility outweighs promotions in influencing UPI preference. In other words, UPI's pull is practical convenience (change, speed, fewer ATM visits, lighter pockets) rather than financial perks.

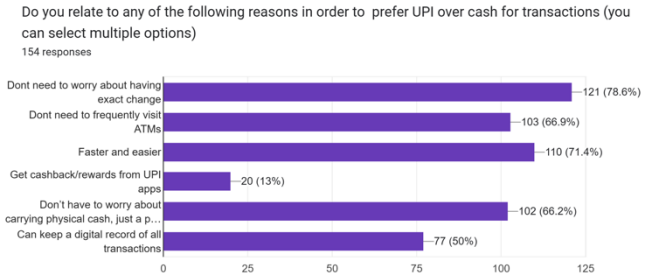

Figure 5: Reasons for Respondents' Preference for UPI Over Cash. Source: Survey Data

As for the impact of UPI on expenditure patterns, 57.1% of respondents said that if UPI services were temporarily unavailable, they would not experience a change in expenditure. However, 27.3% of participants said they would experience a reduction. Moreover, 46.1% of respondents were highly dependent and 42.2% of respondents were moderately dependent on UPI for financial transactions.

The major categories in which respondents spent the most on using UPI were: food and groceries (82.5%), transportation (49.4%), shopping (48.7%), online retail purchases (35.1%) and leisure and entertainment (29.2%). A clear plurality (55% of participants) believed their overall spending has risen after adopting UPI, while 36 % say it has not. 60.4% of respondents also felt that their expenditure increased after adopting UPI, as compared to their expenditure when they were using cash or internet banking. Higher frequency of UPI usage also correlates positively with respondent's self-reported rise in expenditure at a significant level ($p < 0.05$). Those who rely more on UPI than cash also spend more frequently with UPI. As for the impact of UPI adoption on monthly savings, 26.6% of respondents reported a decrease and 16.9% of respondents reported an increase in monthly savings in proportion to income. 52% of respondents said they make more impulsive purchases on UPI than with cash and 49% feel their expenditure tracking awareness has fallen after adopting UPI. This behavioral trend is supported and explained by the reduced 'pain of paying' associated with digital transactions, as the ease and instant gratification associated with digital payments makes them feel less 'real' and weakens expenditure awareness.

Promotional offers such as cashbacks and discounts also influenced the payment choice of 69% of participants, suggesting a marketing channel effect as users are influenced to use the medium of UPI for transactions, due to incentives offered by UPI apps. 49% of respondents felt that their expenditure tracking awareness has also reduced due to UPI, which can be explained by the idea of reduced pain of

paying with digital transactions. Similarly, 52.6% of respondents also felt more in control of their spending when using cash, and only 12.3% of respondents felt more in control of their spending when using UPI. This aligns with the behavioural finance theory that digital payments disrupt mental accounting by lowering self-control, therefore increasing the likelihood of overspending. 52.6% of the participants had a reduced pain of paying with digital payments as it felt less real than spending cash, hence indicating the nature of digital payments in enabling overspending. This psychological shift helps explain why impulsive purchases and financial regret are more common with digital modes of payment. 33.8% of participants also experienced buyer remorse more often after digital payments than cash payments. 35.1% of respondents also found it harder to control their spending with digital transactions compared to cash, and a significant number of participants (37%) delayed or avoided purchases when they didn't have access to digital payments, such as when they had low battery or no internet. This shows a high reliance on digital payments: respondents prefer digital payments so much that they would rather postpone or avoid purchases than use other payment mediums. The ease and convenience of digital payments reduce friction in spending, further increasing dependence on digital transactions. 33.8% of respondents felt the most financially responsible with cash and 28.6% respondents felt the most financially responsible with UPI. As for budgeting, 80.5% of respondents didn't set any monthly budgets or spending limits when using UPI apps and 92.9% of respondents didn't use any personal finance or budgeting apps. Only 21.4% of respondents used digital tools to set saving goals.

The final section of the survey investigated the impact of UPI adoption on quick-commerce platforms. 76% of the respondents reported that they use instant delivery platforms like BlinkIt, Swiggy, Instamart, Zepto etc., which reduced the sample size for this section to 119. 75.6% of the respondents used UPI the most on these platforms and 18.5% of respondents used credit cards, so UPI had the highest usage. The impact of UPI on spending was divided with 48.7% of respondents reported an increase in their spending while 51.3% of respondents reported no increase.

4.2 Cross-Tab Analysis

4.2.1 Income and UPI Preference

A cross-tab analysis was conducted to understand the relationship between UPI and annual income. The percentage of respondents that actively prefers UPI over cash ranges from approximately 58% in the ₹5-10 lakh bracket to greater than 90% in the ₹ 10-15 lakh group. The middle-income cohort (₹10-15 lakh) therefore has the highest preference and use of UPI. This can be due to their adequate purchasing power, combined with the highest perceived convenience gained from using UPI. Lower income households of annual income less than ₹5 lakh show a 74% adoption of UPI; however, they lag behind the middle tier. This could be due to prevailing cash-centric habits and a lack of trust in UPI technology, which persist within

this income group and contribute to their avoidance of UPI despite having access to services. Lastly, the top-income segment, with annual income greater than ₹20 lakh, also shows a high preference (82%) for UPI, implying that for affluent users, the incremental benefit of cards or credit lines does not crowd out UPI use. A χ^2 test on the full cross-tab gives $p \approx 0.015$, indicating a statistically significant relationship between income and preference for UPI at the 5 % level.

4.2.2 Age and UPI Preference

A cross-tab analysis was conducted to understand the relationship of age on preference for UPI over cash. Preference for UPI was ~71% in the cohort of respondents aged less than 25, and it was ~83% in the cohorts of respondents aged 24-34 and 55+. This reflects only about a 10-point swing across age groups, suggesting limited variation in UPI preference by age. Moreover, the Chi-square test resulted in a p-value of 0.75, indicating a statistically insignificant relationship; hence, UPI preference and age appear to be independent.

4.2.3 Education and UPI Preference

UPI is popular among all education bands, with uptake being 78-100%. The lowest uptake is among the "Other" and "High-school-or-less" education group at 80%, while UPI uptake and preference among those with post-graduate degrees and doctorates is at 100%. The χ^2 p-value ≈ 0.74, indicating statistical insignificance. Therefore, education level is not a strong predictor of UPI preference. UPI technology has equally penetrated people in all education groups, and preference for UPI is more dependent on other factors.

4.2.4 Digital Literacy and UPI

A 'digitally-literate' flag was constructed which includes respondents who own a smartphone, have a mobile with internet connection, find UPI easy to use and reported no language and interface difficulty when using UPI apps. The non-literate group consisted of respondents who didn't meet these criteria, and UPI preference was compared among both groups. 86% of digitally-literate respondents preferred UPI over cash whereas only 35% of digitally non-literate respondents preferred UPI over cash. The χ^2 test gives $p \approx 2.5 \times 10^{-8}$, showing a strong, statistically significant relationship between digital literacy and UPI preference.

4.3 Implications and Policy Recommendations

Income shows a significant relationship with UPI uptake. While middle and high-income groups demonstrate high adoption of UPI, those in the lower-middle income bang (₹5-10 lakh annual income) lag behind. Policies and marketing initiatives should be adopted to push higher preference of UPI, leading to increased adoption. Digital payment apps must also be made more safe and secure through strengthening of consumer protection measures, as security concerns are found to be a significant deterrent from UPI adoption. Digital literacy is also a strong predictor of UPI preference. Initiatives should be undertaken to reduce language and interface difficulties on UPI apps in order to improve the accessibility

of these payment services.

Moving on to the implications of this study, excessive spending seems to be a concern among UPI users, particularly among vulnerable groups such as youngsters and low-income individuals. This is clear from the fact that nearly half of the sample said that using UPI increased their spending, decreased spending awareness, and led to more impulsive purchases. Policymakers should require digital payment apps like UPI and mobile wallets to promote budgeting through expenditure trackers, thereby combating the addictive nature of instant payments. This will help strike a balance between saving efforts and the propensity to overspend.

5. Conclusion

As the popularity of digital transactions and UPI continues to expand, it is important to investigate how India's transition from a cash-dependent to cash-less society has affected consumers. Digital transactions are not only reshaping how Indian consumers pay, but also affecting their expenditure and saving patterns, all of which have broader implications on the economy.

This study concluded that the adoption of digital transaction systems like UPI has significantly shaped consumer behaviour in India. Digital transactions have reduced people's awareness of their spending, leading to higher expenditure. Consumers are also growing increasingly reliant on UPI for daily transactions as compared to cash, due to UPI's convenience, ease of use and speedy transactions. Some consumers reported overspending and a reduction in savings after adopting UPI, indicating that over-reliance on digital transactions can lead to financial strain, especially among vulnerable consumer groups.

While this study has investigated the specific effects of UPI adoption on consumer expenditure, further research can explore the impact of the same on household savings too. The role of digital transactions in promoting financial literacy and access to financial services, especially in underserved regions, can also be investigated. Research on these factors will provide further insights into how digital payments are affecting behaviour among various socio-economic groups in India.

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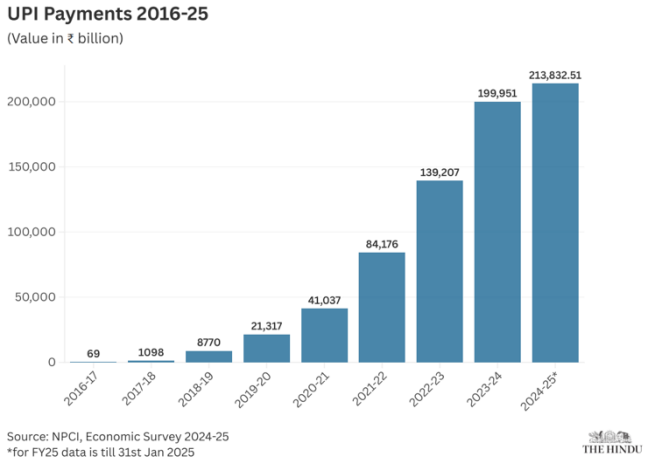
FIGURES



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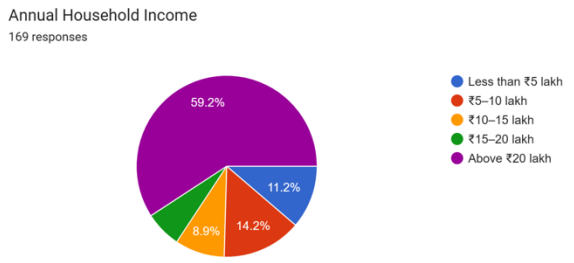

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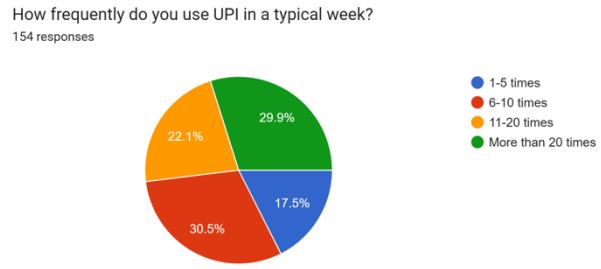

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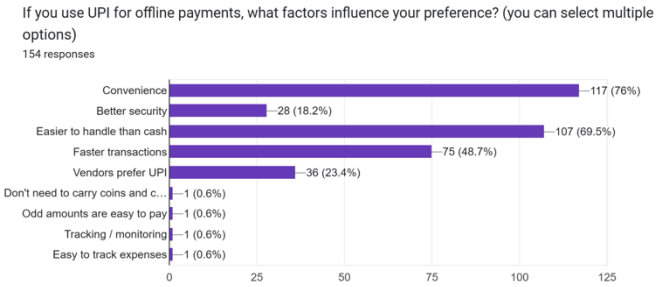

Figure 4: Factors Influencing Respondents Preference for UPI for Offline Payments. Source: Survey Data

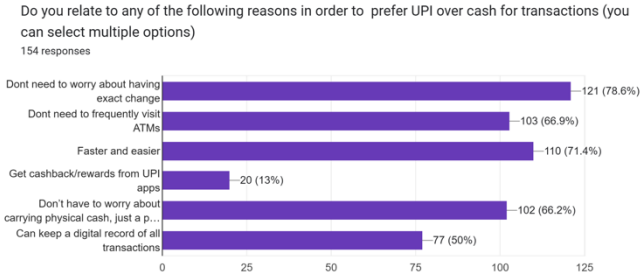

Figure 4: Reasons for Respondents Preference for UPI Over Cash. Source: Survey Data

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