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## Navigating UPI Acceptance: A dual analysis of drivers and barriers among agri-retailers

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### Abstract

The study investigates the key factors facilitating and hindering the adoption of Unified Payment Interface (UPI) among agricultural retailers. Using data from 150 respondents, we identify that major facilitating factors include demonetization, COVID-19, and customer demand, while significant hindrances are security concerns, digital illiteracy, and network issues. The findings provide a basis for formulating strategies to enhance the adoption of digital payment systems in the agri-retail sector.

**Keywords:** UPI, Agri-retailers, digital payment, adoption, hindering factors, facilitating factors

### 1. Introduction

The retail agriculture industry in India is experiencing a significant shift towards digitalization, particularly in the area of payment methods. The emergence of the Unified Payment Interface (UPI) has completely transformed the landscape of transaction processes. However, the widespread acceptance of UPI remains inconsistent, influenced by a variety of socio-economic factors. This article seeks to delve into the primary determinants that both facilitate and hinder the adoption of UPI among agri-retailers. By gaining a deeper understanding of these variables, stakeholders can develop policies and regulations aimed at promoting the use of digital payments, ultimately enhancing the efficiency of the agri-retail sector.

### 2. Literature Review

Previous studies have highlighted the role of government policies such as demonetization and COVID-19-induced shifts in accelerating digital payment adoption. Pillai *et al.* (2019) <sup>[1]</sup> and Ligon *et al.* (2019) <sup>[2]</sup> demonstrated that customer demand and demonetization were significant in encouraging UPI usage. However, studies like Rajasekhar *et al.* (2022) <sup>[3]</sup> showed that technical issues and security concerns often prevent full adoption, particularly among retailers. The current study seeks to extend this body of knowledge by analyzing both facilitating and hindering factors through primary data.

### 3. Objective

1. To identify the facilitating and hindering factors in the acceptance of UPI by agri-retailers.

### 4. Methodology

The study is based on a survey conducted among 150 agri-

retailers. Respondents were asked to provide their opinions on both the facilitating and hindering factors for UPI acceptance. Data was analyzed using frequency distribution and ranking techniques to determine the most and least influential factors.

## 5. Results and Discussion

### 5.1 Facilitating Factors

**Table 1:** Provides a distribution of respondents based on their responses to various facilitating factors.

Sl. no.	Category	Frequency		Rank
		Yes	No	
1	Demonetization	146(97.33)	4(2.67)	1
2	COVID 19	146(97.33)	4(2.67)	1
3	Government Support	73(48.67)	77(51.33)	9
4	Smartphone penetration	143(95.33)	7(4.67)	2
5	Customer demand	146(97.33)	4(2.67)	1
6	Interoperability	70(46.67)	80(53.33)	8
7	Cost-effectiveness	58(38.67)	92(61.33)	10
8	Ease of Use	87(58.00)	63(42.00)	6
9	Wide acceptance	124(82.67)	26(17.33)	4
10	Financial incentives and cashback offer	134(89.33)	16(10.67)	3
11	Pradhan Mantri Jan Dhan Yojana	78(52.00)	72(48.00)	7
12	Promotion	89(59.33)	61(40.67)	5

The data reveals that demonetization, COVID-19, and customer demand were the most significant facilitating factors, with 97.33 percent of respondents affirming their impact. Smartphone penetration (95.33 percent) and financial incentives (89.33 percent) also played important roles. These findings highlight how external socio-political events and customer preferences act as strong motivators for UPI adoption. The least influential factor was cost-

effectiveness (38.67 percent), indicating that while cost is a consideration, it does not outweigh more significant factors like customer demand and smartphone penetration.

analysis. *Agric Technol Innov.* 2022;9(2):200-212.

## 5.2 Hindering Factors

**Table 2:** Highlights the distribution of respondents based on their responses to hindering factors.

Sl. no.	Category	Frequency		Rank
		Yes	No	
1	Network issue	147(98.00)	3(2.00)	2
2	Digital illiteracy	115(76.67)	35(23.33)	3
3	Security concerns	148(98.67)	2(1.33)	1
4	Cash dependency	105(70.00)	45(30.00)	6
5	Older generation resistance	98(65.33)	52(34.67)	7
6	Technical glitches	114(76.00)	36(24.00)	4
7	Lack of awareness	105 (70.00)	45(30.00)	6
8	Fear of financial fraud	106(70.67)	44(29.33)	5
9	Fear of GST	105(70.00)	45(30.00)	6
10	Transaction charges	106(70.67)	44(29.33)	5

Security concerns (98.67percent), network issues (98.00percent), and digital illiteracy (76.67percent) were the most significant hindrances. Security concerns ranked highest, reflecting fears around financial fraud and data breaches. Technical glitches and fear of financial fraud were also frequently cited. Interestingly, older generation resistance (65.33 percent) and cash dependency (70.00 percent) highlight cultural barriers that need to be addressed for wider UPI adoption. These results are consistent with prior research, particularly Rajasekhar *et al.* (2022) <sup>[3]</sup>, which found that network issues, security concerns, and technical glitches were major obstacles.

## 6. Conclusion

The study concludes that while several facilitating factors such as demonetization, COVID-19, and customer demand have significantly driven UPI adoption, numerous hindrances still persist. Addressing security concerns, improving network infrastructure, and offering better digital literacy programs are essential to overcome these barriers. Future policies should focus on reducing technical glitches and enhancing user trust through stronger security measures.

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