Theoretical Framework for UPI Adoption: Integrating Tam and UTAUT Models

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Abstract

Unified Payment Interface, the most preferred mode of payment has dethroned cash in transactions. The payment platform has found its way into every corner of India, from street vendors to shopping malls, from tech savvy users to first time smartphone users. Since its inception in 2016, the transaction volume has gradually increased from 2 crore transactions in the FY 2016-17 to 24,162 crore transactions in the FY 2026-27 (*Press Release: Press Information Bureau,* 2026), the mammoth growth in volume of transactions shows how UPI has become synonymous for cashless transactions in India. UPI is not just popular in India, it is embraced by foreign countries such as Nepal, Bhutan, Sri Lanka, Singapore, UAE, France, Mauritius and so on ("Focusing on Making the UPI and RuPay Truly Global, Says RBI Governor," 2024). Thus, the UPI adoption and its usage is substantial in a short period. The study develops and validates a theoretical framework to understand drivers that influence adoption of UPI, by integrating constructs from the "Technology Acceptance Model" (TAM) and the "Unified Theory of Acceptance and Use of Technology" (UTAT) model (Venkatesh et al., 2003), widely tested models for technology adoption and usage. The current model is distinct from prior integrations as PEOU is replaced with User Experience to cater broader concern with reference to the Indian digital payment ecosystem. Structural Equation Modelling is used to examine explanatory and predictive power of this integrated theoretical framework.