

A STUDY ON CONSUMER PERCEPTION TOWARDS DIGITAL WALLETS

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ABSTRACT

With the advancement in technology, things around us have changed drastically. Technology caters to man's comfort and convenience. The Covid-19 pandemic has caused a drastic shift in the economy, how business operates and how people pay. With the help of smartphone, one can do everything, be it ordering food or groceries, booking a cab or movie tickets etc. After the introduction of digital wallets, it has become absolutely convenient for a person to make cashless transactions any time anywhere. Still there is a lack of awareness among people about the concept of digital wallet and its utility. The present study is an attempt to evaluate the consumer perception towards digital wallets. The questionnaire was used to collect the primary data from the respondents. The collected data were then analysed to reach the research objectives.

Key Words – Covid 19 pandemic, cashless transactions and consumer perception.

I. INTRODUCTION

The advancement in technology has eliminated the traditional methods of performing transactions using cash. The demonetization in India triggered a remarkable sour in cashless dealings. With the onset of Covid pandemic and subsequent lockdown, online shopping was resorted by a large populace, similarly boosting online payments. Now mobile phones have taken the roles of cheques, debit and credit cards, etc. in a smart and digital manner.

With the introduction of digital wallets, people have started using mobile payment applications for performing everyday transactions. A digital wallet is a software based system that allows an individual to make e-commerce transactions. By using a digital wallet, e-transactions can be done easily through computers or smart phones. The bank accounts of individual users are linked with their digital wallet. Digital wallets are used not only for online purchases but also for authentication of user. It can store complete user information including credentials, transaction history and personal details.

II. REVIEW OF LITERATURE

Pawan Kalyani (2016) found that Digital wallets which are popular and associate to the online business company are more popular and those with the banks are doing fine, mobile companies' e-wallet is restricted to the mobile users. People are using a few services mostly for recharging the DTH and paying bills, Shopping etc. The awareness and practical Usability of the e-wallet is low, that should be increased by adding more value added services to it.

R.Varsha .Thulasiram(2016) found that E-wallet which are considered as an hi-tech platform for money transacting and payments have been perceived to be comfortable and reliable, indicating high levels of acceptance .The e-wallet service providers need to strategize targeting not only at students and the youth, but also other age groups.

Dr. Ramesh Sardar (2016) summarized that M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments. Over time when mobile payments will represent a significant part of retail sales, there should be inter-operability between different wallets. As most of respondents are concerned about the security of mobile payments, the security system should be strengthening.

Sanaz Zarrin Kafsh (2015), made a study on “Developing consumer Adoption Model on mobile wallet in Canada”, by taking a sample of 530 respondents through convenience sampling. Partial Least Square model was used to analyze the data. The focus of the study was to identify the factors that influence the consumer's adoption of mobile wallets. This study was based on technology acceptance model (TAM) & innovation diffusion theory (IDT). As per the analysis made by them,

there is relationship among perceived usage, perceived ease of use & perceived security in predicting the adoption of mobile wallets.

Neeharika P & V N Sastry (2014), conducted a study on “A Novel Interoperable Mobile Wallet Model with Capability based access control framework”, this study makes an important contribution towards the development of a mobile wallet that can work across various platforms. As security is the major concern when it comes to finance related information, the study addresses the security issues by giving access control model that works towards interoperable mobile wallet.

III. STATEMENT OF THE PROBLEM

The problem under study is “the consumer perception towards digital wallets”. The proliferation of net access and smartphones has resulted in an upward push in the number of people using digital wallets. The digital wallet is becoming more popular among the consumers. But still there is lack of trust for digital payments. There are those that don't yet feel safe using this as they don't trust the internet and perceived security. So what is the perception of consumers towards digital wallets? What are the factors that affect consumer preference towards digital wallets? What is the satisfaction level of consumers? The answers are of strategic importance.

IV. SIGNIFICANCE OF THE STUDY

The Govt. is making hard to make India a cashless economy. India has put limits on withdrawing cash from the bank or ATMs. In the current scenario, India has seen a substantial increase in the number of digital wallets available and is slowly moving towards a cashless economy. Digital wallets eased our buying experience by providing another convenient money transfer platform. The consumer perception toward e- payment has a significant impact on adoption of digital wallets.

V. SCOPE OF THE STUDY

This study aimed at understanding the consumer perception towards digital wallets in Kochi city. This study will provide valuable insights to understand the consumers acceptability towards digital wallets, the factors that affects consumer preference, problems faced by them as well as the level of satisfaction of consumers using digital wallets.

VI. OBJECTIVES

1. To know the awareness and perception of consumers towards digital wallets.
2. To identify the factors that influences the consumers to use digital wallets.
3. To study the satisfaction level of consumers towards digital wallets.

VII. HYPOTHESIS OF THE STUDY

1. There is no significant association between gender of the respondent and using habit of digital wallets.
2. There is no significant association between age of the respondent and using habit of digital wallets.

VIII. RESEARCH METHODOLOGY

This study is based on both primary and secondary data. Primary data is collected by using questionnaire method, which has been created using Google forms and distributed to 150 consumers. It consists of both users (130 respondents) and non users (20 respondents) of digital wallets. Convenience sampling method has been adopted for this purpose. Secondary data is collected from newspapers, journals and websites. The collected data were analysed by using statistical techniques percentage analysis and chi-square test. Tables are used for systematic presentation of the data.

IX. LIMITATIONS OF THE STUDY

1. The sample size selected is small, so it may not represent the population.
2. Some of the respondents were not co-operative in filling the questionnaire.

X. DATA ANALYSIS AND INTERPRETATIONS**Table 1 - Demographic profile of the respondents**

Variables	Parameters	Frequency	Percentage
Age	Below 20	21	14
	21-30	55	37
	31-40	45	30
	Above 40	29	19
	Total	150	100
Gender	Male	89	59
	Female	61	41
	Total	150	100
Occupation	Govt. employee	20	13
	Private employee	72	48
	Business	32	21
	Others	26	18
	Total	150	100
Annual income	Less than 100000	32	21
	100000-200000	84	56
	200000-300000	27	18
	Above 300000	7	5
	Total	150	100

Source: Primary data

- It is obtained from the above analysis that 59 per cent of the respondents are male and the remaining 41 per cent of the respondents are female.
- It is clear from the analysis that 14 per cent of the respondents belong to the age group of below 20 years, 37 per cent of the respondents belong to 21-30 years, 30 per cent of the respondents in the age group of 31-40 years and the remaining 19 per cent of the respondents belong to age category above 40 years.
- It is observed from the analysis that 13 per cent of the respondents are govt. employees, 48 per cent of the respondents are private employees, 21 per cent of the respondents are doing business and 18 per cent of the respondents belong to other category.
- It is inferred from the above that 21 per cent of the respondents have annual income of less than 100000, 56 per cent of the respondents have annual income of 100000-200000, 18 per cent of the respondents have 200000-300000 and the remaining 5 per cent of the respondents have above 300000.

Table 2- Using habit of digital wallets

Using habit	Number of respondents	Percentage
Users	130	87
Non users	20	13
Total	150	100

Source : Primary data

From the above table it is clear that 87 per cent of the respondents are using digital wallets for making payments and 13 per cent of the respondents are not using digital wallets.

CHI SQUARE ANALYSIS

For testing the association between selected independent variables and using habit of digital wallets, hypothesis has been framed and tested by Chi- square test. The test results are discussed in the following tables.

Association between age and using habit of digital wallets

H_0 : There is no significant association between age and using habit of digital wallets.

Table 3 – Age and using habit of digital wallets

Using habit	Age of the respondents				Total
	Below 20	21-30	31-40	Above 40	
Users	16 (18.2)	52 (47.67)	41 (39)	21 (25.13)	130
Non users	5 (2.8)	3 (7.33)	4 (6)	8 (3.87)	20
Total	21	55	45	29	150

Source : Primary data

Chi- square value = 10.8011

Degrees of Freedom = 3, Level of significance = 0.05

Table value = 7.815

Since the calculated value of chi-square is greater than the table value, the null hypothesis is rejected. Therefore there is significant association between age and using habit of digital wallets.

Association between gender and using habit of digital wallets

H_0 : There is no significant association between gender and using habit of digital wallets.

Table 4 – Gender and using habit of digital wallets

Using habit	Gender		Total
	Male	Female	
Users	81 (77.33)	49 (52.87)	130
Non users	8 (11.87)	12 (8.13)	20
Total	89	61	150

Source : Primary data

Chi- square value = 3.5814

Degrees of Freedom = 1

Level of significance = 0.05

Table value = 3.841

Since the calculated value of chi-square is less than the table value, the null hypothesis is accepted. Therefore there is no significant association between gender and using habit of digital wallets.

Table 5- Frequency of usage of digital wallets

Frequency of usage	Number of respondents	Percentage
Once in a month	17	13
Once in a week	40	31
Daily	26	20
Occasionally	47	36
Total	130	100

Source : Primary data

From the above analysis it is clear that 13 per cent of the respondents use digital wallets once in a month, 31 per cent of the respondents use once in a week, 20 per cent of the respondents use digital wallets daily and the remaining 36 per cent of the respondents use digital wallets occasionally.

Table 6- Awareness about digital wallet service providers

Digital wallets	Number of respondents	Percentage
PhonePe	102	78
Google pay	130	100
Paytm	116	89
Amazone pay	56	43
MobiKwik	24	18

Source : Primary data

From the above it can be inferred that 100 per cent of the respondents are aware about Google pay, 89 per cent of the respondents are aware about Paytm, 78 per cent of the respondents are aware about PhonePe, 43 per cent of the respondents are aware about Amazone pay and only 18 per cent of the respondents are aware about MobiKwik.

Table 7 – Most preferred digital wallet service

Digital wallets	Number of respondents	Percentage
PhonePe	24	18
Google pay	68	52
Paytm	32	25
Amazone pay	6	5
MobiKwik	0	0
Total	130	100

Source : Primary data

From the above table it can be seen that Google pay is the most preferred digital wallet service for 52 per cent of the respondents, Paytm is mostly preferred by 25 per cent of the respondents, PhonePe is the most preferred digital wallet for 18 per cent of the respondents and Amazone pay is the most preferred digital wallet for only 5 per cent of the respondents.

Table 8 – Purpose of using digital wallets

Purpose	Number of respondents	Percentage
Recharge and bill payments	102	78
Transportation	31	24
Food/ Movie tickets	46	35
Online shopping	58	45
Fund transfer	64	49
Others	12	9

Source : Primary data

From the above it is clear that 78 per cent of the respondents use digital wallets for recharge and bill payment, 24 per cent of the respondents use it for transportation, 35 per cent of the respondents for food/ movie tickets, 45 per cent of the respondents for online shopping while 49 per cent of the respondents for fund transfer and 9 per cent of the respondents use digital wallet for other purpose also.

Table 9 – Most influencing factor to use digital wallets

Factors	Number of respondents	Percentage
Convenience	54	42
Service quality	12	9
Discounts and offers	29	22
Safety and security	14	11
Ease of use	21	16
Total	130	100

Source : Primary data

From the above table it can be inferred that convenience is the most influencing factor for 42 per cent of the respondents. Discounts and offers is the most influencing factor for 22 per cent of the respondents. 16 per cent of the respondents are influenced by ease of use 11 per cent are influenced by safety and security. Service quality is the most influencing factor for only 9 per cent of the respondents.

Table 10 – Problems faced while using digital wallets

Problems	Number of respondents	Percentage
Security threats	43	33
Lack of technical knowledge	28	22
Network connectivity	39	30
Lack of availability at different stores	20	15
Total	130	100

Source : Primary data

From the above it is clear that security threat is the main problem faced while using digital wallet for 33 per cent of the respondents. 22 per cent of the respondents reveals that lack of technical knowledge is the main problem, 30 per cent of the respondents says that network connectivity is the problem and remaining 15 per cent of the respondents reveals that lack of availability at different stores is the problem faced while using digital wallets.

Table 11 – Preference to continue using digital wallets

Opinion	Number of respondents	Percentage
Very likely	63	48
Likely	50	38
Neutral	15	12
Unlikely	2	2
Total	130	100

Source : Primary data

From the above table it is known that 48 per cent of the respondents are very likely to use digital wallet in future, 38 per cent of the respondents are likely to continue it in future, 12 per cent of the respondents have neutral opinion and only 2 per cent of the respondents are unlikely to continue using digital wallets.

Table 12 – Satisfaction level towards the usage of digital wallets

Satisfaction level	Number of respondents	Percentage
Highly satisfied	41	32
Satisfied	72	55
Neutral	17	13
Dissatisfied	0	0
Total	130	100

Source : Primary data

The above table reveals that 32 per cent of the respondents are highly satisfied with the usage of digital wallets, 55 per cent of the respondents are satisfied, 13 per cent of the respondents have neutral opinion and none of the respondents are dissatisfied with the usage of digital wallets.

XI. FINDINGS

- 37 per cent of the respondents belong to 21-30 years.
- 59 per cent of the respondents are male.
- Majority of the respondents are private employees.
- Majority of the respondents have annual income of 100000-200000.
- 87 per cent of the respondents are using digital wallets for making payments.
- There is significant association between age and using habit of digital wallets.
- There is no significant association between gender and using habit of digital wallets.
- 36 per cent of the respondents use digital wallets occasionally.
- 100 per cent of the respondents are aware about Google pay, 89 per cent of the respondents are aware about Paytm and 78 per cent of the respondents are aware about PhonePe.
- Google pay is the most preferred digital wallet service for 52 per cent of the respondents. Paytm is mostly preferred by 25 per cent of the respondents.
- Most of the respondents use digital wallets for recharge and bill payment.
- Convenience is the most influencing factor of preferring digital wallets for 42 per cent of the respondents. Discounts and offers is the most influencing factor for 22 per cent of the respondents.
- Security threat is the main problem faced while using digital wallet for 33 per cent of the respondents.
- 48 per cent of the respondents are very likely to use digital wallet in future
- Majority of the respondents are satisfied with the usage of digital wallets.

XII. SUGGESTIONS

- Some consumers are not using digital wallet, so companies and govt. should create awareness by organizing cashless society workshops and seminars at educational institutions, workplace etc.
- Security threat is the main problem faced while using digital wallets. So service providers should take necessary steps to overcome this in future.
- More cash back and offers should be provided to attract new customers and to retain the existing consumers.

XIII. CONCLUSION

Digital wallets are growing in India as the consumers are relying upon the digital life style to make things convenient and faster and the consumers are embracing digital wallet with open arms.

The present study is conducted to know the awareness and perception of the consumers towards digital wallets, the factors that influence the consumers and to identify the satisfaction level of consumers. From the study it is found that majority of the consumers are aware about various digital wallet services. Google Pay came out on top among the other wallet providers. Moreover consumers have a positive attitude towards the usage of digital wallets in future. The respondents are influenced by a variety of factors such as convenience, service quality, discounts and offers, safety and security and ease of use. The study also reveals that majority of the respondents are satisfied with the usage of digital wallets.

XIV. REFERENCES

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