

A Study on Consumer Preference towards E-Wallets

S.Melfia¹ and C. K. Sunitha²

¹Research Scholar in Commerce, Reg.No.19213041012013, Holy Cross College [Autonomous], Nagercoil, [Affiliated to Manonmaniam Sundarnar University] Trinelveli.

²Assistant Professor and Research Supervisor in Commerce, Holy Cross College [Autonomous], Nagercoil.

ABSTRACT

In present world smart phone play an important role in the daily life of people. Smart phones are used everywhere in the modern world. The technological advancement has made smart phone as devices where the mobile users can make money transaction or payment by using application installed (e-wallet app) in the phone. The rise in mobile application development technology has changed the way the payment gateway industry in working these days. The demonetization announced by the government has changed the Indian financial system drastically and made the country cashless economy. In India, the usage of e-wallets has rapidly increased over the past four years. The present study aims to explain the application and usage of wallet money endorsed by different companies and various factors that affect the consumer's decision to adopt E-wallets. The study was conducted in kanniyakumari district of Tamil Nadu. The data were collected from totally sixty respondents of Holy Cross College and S.T.Hindu College, Nagercoil; thirty from each college with the help of interview schedule by adopting simple random method from sixty sample respondents.

Key words- E-wallets, Consumer, Preference

INTRODUCTION

E-wallet is an online money account which make transactions without the need for a physical card. E-wallets are similar to debit cards because they operate through pre-loaded money. An e-wallet can be an electronic device or website that allows commercial transactions. Most of the E-wallets are mobile or desktop application (Apps) and can be easily downloaded in the smart phone, tablet or personal computer. After application (Apps) installation, fill the basic detail, optional bank details or PAN card and set up PIN or Password. A One-Time Password (OTP) is sent to mail id or smart phone and pre-load the money into e-wallet for making transaction or bill payment. E-wallets have made digital payments easy and secure much to the customers benefit.

The development of technology and technological advancement have made smart phones to become an essential part of daily life of people. Smart phones are used as a source of communication device, socialized tool, entertainment set, internet and even payment tool. E-wallet with the support of mobile technology has allowed the owners of smart phones carry out many financial transactions and identification implements. E-wallets have benefitted greatly from the demonetization drive, with even road side vendors accepting E-wallet payments. Leading E-wallet companies have declared unprecedented usage and the industry likely to grow into 6 billion giant by 2020. Young customers are attracted for recharges done through E-wallets. There was a drastic growth of E-wallets after demonetization in India. E-wallets were the significant contributor in pushing cashless and electronic payments.

According to Reserve Bank of India, there are four kinds of E-wallets currently used in India. They are:

- **Open wallet** enables the users to buy goods and services, withdraw cash at ATM or bank and transfer funds.
- **Semi- Open wallet** allows to transact with merchants that have contract with the companies. (Airtel money is a semi open wallet)

- **Closed wallet** is popular with e-commerce where certain amount of money is locked with the merchant in case of cancellation on or return of the order or gift cards.
- **Semi-Closed wallet** allows to buy goods and services at listed merchant and perform financial services at listed location but a semi-closed wallet does not permit cash withdrawal or redemption. (PAYTM)

Top 5 E-wallets in India

E-wallet is a technology, used for making E-commerce transaction. E-wallet is required because it takes only few seconds to complete the transaction. By using E-wallet, online transaction can be done through computer, laptop and smart phone. There are number of E-wallets available in the market and some of them are

1. Paytm

Paytm is one of the largest online commerce platforms in India offering its customers a mobile wallet to store money and make quick transactions. This application launched paytm wallet application (App) and it is an India's first payment bank to enable a cashless economy. The number of Paytm app installs: 100 Million + on Google play store.

2. Google pay

Google pay is a digital E-wallet platform and online payment system developed by google to power-in-app, online and in- person contactless purchases on mobile devices, enabling users to make payments with Android phones. It works with user existing bank account, which already means that the money is safe with the bank and no issues of recharging the wallet every month. The number of Google pay app installs: 100 Million + on Google play store.

3. BHIM Axis Pay

BHIM (Bharat Interface for Money) is another best E-wallet in India. This E-wallet app is developed by (National Payment corporation of India) NPCI based on UPI (Unified Payment Interface). It is intended to facilitate e-payment directly through bank users register the bank account with BHIM and set a UPI pin for the bank account. It can be used by the users of Axis bank and other banks. The number of BHIM Axis pay app installs: 5 Million + on Google play store.

4. Mobikwik

Mobikwik is free to download digital E-wallet app that actually connects more than ten million users. In this app, user can add information and bank card details through which users can easily add money to recharge and pay bills and shop at a variety of marketplaces. The number of app installs: 10 Million + on Google play store.

5. Phonepe

Phonepe is now a part of Flipkart. So the authenticity of the app has automatically increased. The app started in 2015 and the app crossed 100 Million download in just 4 years. It is trouble-free to make payments through UPI on Phonepe.

STATEMENT OF THE PROBLEM

The current scenario of Indian economy shows the tendency of movement from cash to cashless transactions. E-wallets is technically a mobile application which can be freely downloaded by all from play store. Since the smart phones are becoming regular and the rates of internet has been decreasing day to day, E-wallet is a good option for the public for making payments, recharges and transfers. E-wallet has rapidly increased over the past four years. Most people still like to do their business in traditional form some people are not comfortable to use them for their day-to-day transactions. The present study tries to find out the "Consumer Preference towards E-wallets".

OBJECTIVES OF THE STUDY

Following are the objectives of this paper:

1. To study the demographic profile of the sample respondents.
2. To examine the factors influencing the adoption of E-wallets.

METHODOLOGY

The present study is empirical in nature and is based on both primary and secondary data. The sample respondents were selected from two colleges Holy Cross College (Autonomous) and S.T.Hindu College in Nagercoil using convenience sampling. Sixty respondents were met and data was collected from them. The primary data were collected with the help of well structured questionnaire. Statistical Package of Social Science (SPSS) was used for analyzing the data. The secondary data was gathered from journals, books and websites.

LIMITATIONS OF THE STUDY

- The study is confined only to the students of two college Holy cross college (Autonomous) and S.T. Hindu college, Nagercoil.
- Sample size used for the study is small. Hence, the results cannot be taken as universal.
- The limitations of the non-random sampling technique are applicable to this study.
- Consumer's perceptions change from time to time with the advancement in the technology.
- Most of the respondents are reluctant to answer the open ended questions like suggestions and opinions.

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Demographic characteristics of the respondents is one of the important variable to identify the consumers adoption of E-wallets. Demographic profile of the respondents were classified according to gender, marital status, age, education and monthly income of the family.

Table I
Demographic profile of the respondents

Variable	Particulars	No. of Respondents	Percentage
Gender	Male	24	40
	Female	36	60
	Total	60	100
Marital Status	Married	12	20
	Unmarried	48	80
	Total	60	100
Age	Below 19 years	18	30
	20 – 21 years	30	50
	Above 22 years	12	20
	Total	60	100
Education	UG	46	77
	PG	14	23
	Total	60	100
Monthly Income of the Family	Less than Rs. 10,000	8	14
	Rs.10,001- Rs.25,000	23	38
	Rs.25,001- Rs.40,000	17	28
	More than Rs.40,001	12	20
	Total	60	100

Source : Primary Data

Table I reveals that, 40 per cent (24) of the respondents are male and 60 per cent (36) of the respondents are female. 20 per cent (12) of the respondents are married and 80 per cent (48) of the respondents are unmarried. 30 per cent (18) of the respondents are below the age of 19 years and 50 per cent (30) of the respondents belong to the age group of 20 -21 years.77 per cent (46)of the respondents are UG student and 23 per cent (14) of the respondents are PG student. 38 per cent (23) of the samples respondents monthly income of the family ranging between Rs.10,001 – Rs.25,000 and

28 per cent (17) of the sample respondents monthly income of the family ranging between Rs.25,001 – Rs.40,000.

Ho : There is no significant relationship between gender and Factors affecting consumer preference towards E-wallets.

Table II

Factors affecting consumer preference towards E-wallets.

S.No	Factors	Gender				P- Value
		Male		Female		
		Mean	Std. Deviation	Mean	Std. Deviation	
1	Privacy Maintenance	1.34	0.484	3.46	0.0979	0.000**
2	Convenient	1.69	0.471	3.73	0.812	0.000**
3	Easy to use	1.45	0.506	3.18	0.885	0.048**
4	Time saving	1.41	0.501	2.86	0.808	0.170**
5	Service Fees	1.48	0.509	3.25	0.881	0.079**
6	Utility of Innovation	1.59	0.501	3.54	0.884	0.001**
7	Brand loyalty	1.69	0.471	3.85	0.854	0.000**
8	24/ 7 availability	1.52	0.509	3.68	0.887	0.001**
9	Useful for small billing	1.45	0.506	3.20	0.884	0.147**
10	Mini statement	1.34	0.484	3.39	0.036	0.000**

Source : Statistically analyzed data

Note : **Denotes significance at 1 per cent level

Since P value is less than 0.01, the null hypothesis is rejected at 1 per cent level of significance. E-wallet service to make payment easier and transferring money. Based on mean score brand loyalty, Convenient and 24/7 availability are high affecting consumer preference towards E-wallets.

POLICY IMPLICATIONS

Following are the suggestions recommended by the researchers to the Government.

- Government should develop infrastructure to cope up with any policy change or a plan implementation beforehand.
- Government of India should try to educate people about the benefits of going cashless before taking any crucial step
- Problems like poor internet connection make things extremely difficult for the people to do the cashless transaction, Therefore the government can take necessary steps to enhance broadband speed and wide coverage of internet in all the areas.

CONCLUSION

The present study investigates the factors affecting consumer preference towards E-wallets. The demonetization process in India has great impact on cashless transaction. It encourages usage of online payment and E-wallets for financial transaction among public. Effect of Covid-19 disturbs the mind of the people but it provides positive energy to the society to adjust the new system of cashless economy. It can be concluded that there will be a tremendous growth in adoption of E-wallet in the forthcoming years.

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