



## A STUDY ON PERCEPTION OF CUSTOMERS TOWARDS DIGITAL WALLETS

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### **Abstract**

Government initiatives such as Digital India, as well as increased mobile and internet use, have contributed to a significant increase in the use of digital payments. Despite the fact that the digital notion has been there for a long time, it has only recently gained popularity. This is due to a lack of public awareness and education, as well as worries about online payments, security risks, and other considerations. The E-Payment system can only acquire traction if people are made aware of it. Online payment differs from offline payment in that there is no middleman between the customer and the item's supplier. By giving another possible cash transfer mechanism, digital wallets have made our purchase experience easier. Consumer perceptions of e-payment have a significant and positive impact on the adoption of digital wallets. Aadhaar-enabled or linked payment apps like BHIM, UPI, and others have been established by the Indian government to promote digital payment. The government's main goal is to ensure that everyone in India, including urban and rural areas, has access to the internet. Electronic payment is gradually but slowly replaces traditional payment methods. A digitally smart India will be the way forward in the coming days, as everyone should embrace technology for the right purposes. The goal of this research is to find out how people feel about electronic payment systems and digital wallets. The respondents were polled using a questionnaire as a research tool to collect primary data. The information acquired via the questionnaire was then analysed in order to meet the research objectives.

**Key words:** Awareness, Consumers, Digital payment, Perception.

### **I. Introduction**

India is fast becoming into a mobile and internet-dependent country. In both urban and rural areas, the e-payment purchasing trend is gaining traction. The push for digitisation in India's financial sector has resulted in a huge growth in cashless transactions. With the emergence of the covid pandemic and the subsequent lockdown, a huge portion of the population switched to internet shopping, which resulted in an increase in online payments. People are increasingly utilising digital payment platforms or mobile wallets to make E-payment shopping, E-payment utility bill payments, E-payment mobile recharge, DTH recharge, E-payment bus / movie ticket buying, and other transactions more convenient. India's government is working hard to eliminate cash from the country. Cash withdrawals from banks and ATMs have been restricted. Furthermore, there are an excessive amount of E-payment payment apps on the Play Store. They can also be used to replace traditional wallets, obviating the necessity for cash. You may use these E-payment payment apps to transmit money or make purchases. The rate at which different mobile wallets (or e-wallets) are introduced and utilised in India is amazing. Mobile payment is a fantastic idea for start-ups and young entrepreneurs, whether it's Indian mobile wallet firms or mobile wallet apps. The payment trend for E-payment services and products has been recognised as steadily shifting from COD (Cash on Delivery) to 'Payment on Delivery' or 'Payment on Order,' with payment made by mobile phone. As a result, the mobile wallet sector has undergone a substantial paradigm shift in recent years. Things have altered dramatically as a result of technological advancements. The goal of technology is to make man's life easier and more comfortable. Everything, including ordering meals or groceries, reserving a cab or movie tickets, can be done with a Smartphone. It is now possible to make cashless transactions at any time and from any location thanks to the introduction of Mobile Wallet. Despite the fact that a slew of companies have sprung up in India offering 'mobile wallet' services, there is still a lack of public awareness about the concept and its utility.

### **Concept of Digital Wallet**

Users can perform electronic business transactions using software that creates a digital wallet. A digital wallet on a computer, tablet, or Smartphone can also be used to make E-transactions quickly and easily. The bank accounts and digital wallets of customers are linked.



Digital wallets can be used for more than just online purchases; they can also be used to authenticate users' identities. A user's credentials, transaction history, and personal information can all be stored in a digital wallet. They can also be used with other types of mobile payments.

### **Purpose of Using Digital Wallet Services**

- Top-ups and Recharges for Broadband
- Money transfer to any bank in an instant
- Payments by merchants and online purchasing
- Booking transportation services requires payment.
- Utility bill payments, such as electricity, water, gas, and telephone bills, may all be made with a single click.

### **Advantages of digital wallet services**

- Despite the possibility of a cell phone being stolen, a mobile wallet cannot be seized, lost, or picked pocketed.
- There is no need to ask for change if the bill is for Rs 499 or Rs 535. It allows you to pay with just one tap, eliminating the need to repeatedly enter card numbers and passwords. Instead, you may link your credit cards, debit cards, and bank accounts and pay instantaneously without having to enter the information.
- When making a payment with a debit card or credit card, the user is revealing their personal financial information to the merchant's website or facility, which might lead to unpleasant security difficulties. The user can, however, minimise the accessibility of personal data by using M-wallet. There are huge discounts and cash backs available.

### **Disadvantages of Digital Wallet Services**

- To use digital wallets, all you need is a Smartphone and a fast internet connection.
- Security is more important than internet speed.
- Due to the short battery life of smart phones, it is impossible to predict whether the phone will be functioning even for a one-tap payment.
- Users using digital wallets will not be paid interest on funds held in their wallets.
- Because many wallets do not need an additional level of identification for transactions, there is always the risk of losing your phone.

## **II. Literature Review**

**Sanaz Zarrin Kafsh** (2015) conducted a study on "Developing Consumer Adoption Models on Mobile Wallets in Canada" using convenience sampling to collect data from 530 people. The data was analysed using a partial least squares model. The study's goal was to figure out what factors influence customer adoption of mobile wallets. The technological acceptance model (TAM) and the innovation diffusion theory were used in this investigation (IDT). According to their research, there is a link between perceived utilisation, perceived ease of use, and perceived security in predicting mobile wallet uptake.

"A Novel Interoperable Mobile Wallet Model with Capability Based Access Control Framework," by **Neeharika P and V N Sastry** (2014), is an essential contribution to the development of a mobile wallet that can work across many platforms. The study addresses security challenges by providing an access control model that works towards an interoperable mobile wallet, as security is a big concern when it comes to financial information.

## **III. Objectives of the Study**

- To identify the top five digital wallet service providers in India.
- To assess user awareness and perceptions of digital wallets.
- To weigh the advantages and disadvantages of the electronic payment method.
- Discovering clients' preferences for using e-wallets to complete various transactions.



- Recognize the factors that influence people's decision to use an e-wallet.

#### IV. Research Methodology


In this study, the data is obtained from both primary and secondary sources. The primary data is collected using questionnaire method, which has been created using Google Forms and distributed among internet users. Whereas, the secondary data is collected from the newspapers, magazines, websites etc. The convenience sampling method is used to collect the information from the respondents. The sample size is 62.

#### V. Limitations of the Study


- The study is limited to Bangalore because of time constraints.
- 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 changes from time to time with the advancement in the technology.
- Most of the respondents will not answer for the open-ended questions like suggestions and opinions about it.

### Top 5 Digital Wallets Service Providers in India and Their Company Profile


#### 1. Paytm:

<b>Owened by</b>	One97 Communications	
<b>Founder(s)</b>	<b>Vijay Shekhar Sharma</b>	
<b>Established in</b>	2010	
<b>Head Quarters</b>	Noida, India	


#### 2. PhonePe:

<b>Owened by</b>	Flipkart	
<b>Founder(s)</b>	<b>Sameer Nigam, Burzin Engineer, Rahul Chari</b>	
<b>Established in</b>	2015	
<b>Head Quarters</b>	Bangalore, India	

#### 3. MobiKwik


<b>Owened by</b>	One MobiKwik Systems Private Limited	
<b>Founder(s)</b>	<b>Bipin Preet Singh &amp; Upasana Taku</b>	
<b>Established in</b>	2009	
<b>Head Quarters</b>	Gurgaon, India	

#### 4. Google pay

<b>Owened by</b>	Google	
<b>Founder(s)</b>	<b>Sujith Narayanan and Sumit Gwalani</b>	
<b>Established in</b>	2015	
<b>Head Quarters</b>	Google, US	

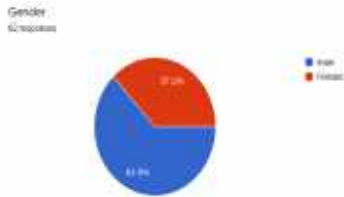


5. Amazon pay

<b>Owened by</b>	Amazon	
<b>Founder(s)</b>	<b>Amazon</b>	
<b>Established in</b>	2007	
<b>Head Quarters</b>	Seattle, Washington United States	

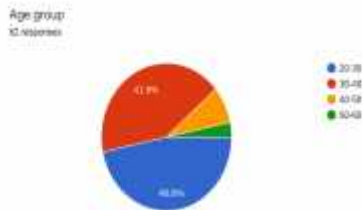
VI. Data Interpretation and Analysis

chart 1: Gender of the respondents



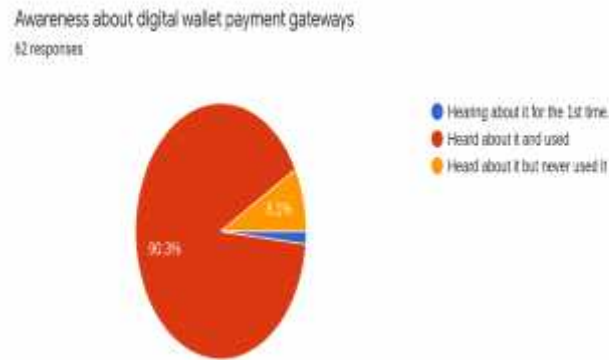
**Interpretation:** Out of the total respondents 62.9% are male and 37.1% are female.

chart 2: Age group of the respondents



**Interpretation:**The pie chart reveals that most of the respondents who have responded are in the age group of 20-30 i.e. 46.8% and next are the respondents who are in the age group of 30-40 i.e. 41.9% then, it is the respondents of age group 40-50 i.e. 8.1% then, least are of the age group 50-60 i.e. 3.2%

chart 3: Awareness about digital wallet payment gateways



**Interpretation:** The pie chart reveals that from the sample collected, the respondent’s awareness about mobile wallet payment service is high i.e 90.3% of respondents heard about mobile wallet services and used it while 8.1% of the respondents have heard about and never used it and only 1.6% of the respondents heard about mobile wallet service for the 1st time.



**Chart 4: usage of smart phone for making online payment**

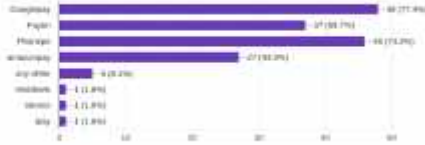
Usage of smart phone for making online Payment:  
62 responses



**Interpretation:** The pie chart represents that 95.2% of the respondents use digital wallets for completing a monetary transaction while 4.8% of the respondents do not use digital wallet.

**Chart 5: Preferences about digital wallet service providers**

Awareness and Preferences about digital wallet service providers:  
62 responses



**Interpretation:** The bar chart reveals that 77.4% of respondents prefer Google pay over other e-wallets, followed by Paytm with 59.7%, Phone pe with 74.2%, Amazon pay with 43.5% and few respondents prefer to use other e-wallets with 12.9%. Google pay remains to be the 1<sup>st</sup> among the top 5 e-wallets.

**Chart 6: Preference towards using E-wallets for completing the following transactions:**

Preference towards using E-wallets for completing the following transactions:  
62 responses



**Interpretation:** The study also looked at various types of activities the consumers would prefer to use digital-wallet, majority of the respondents surveyed prefer using digital-wallets for transferring money (82.3%) followed by recharge (77.4%). 72.6% of the respondents surveyed prefer using digital-wallets for Online Shopping. About 67.7% of the respondents surveyed prefer using digital-wallets for Utility Bill Payments and 66.1% for Food/Movie tickets while 56.5% preferred for transportation purpose. 11.3% of the respondents prefer using digital-wallets for other activities.

**Chart 7: Influencing factors to Prefer E-Wallet**

Influencing factors to Prefer E-Wallet:  
62 responses

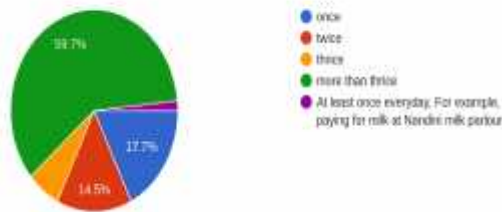


**Interpretation:** Convenience to use is the main reason for preference of digital payment as 88.7% of respondent agrees followed by fast service 79%, Instant availability 67.7%, Cash back offers & discounts 43.5%, Utility of innovation 33.9%.

**Chart 8: Frequency of usage of E-wallets (per day)**



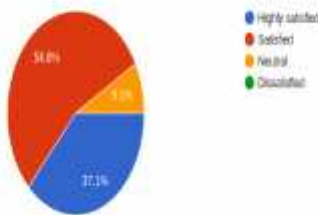
Frequency of usage of E-wallets (per day)  
 62 responses



**Interpretation:** the study shows that 59.7% of the respondents use e-wallets more than thrice in a day and 17.7% use once in a day, 14.5% of respondents use twice a day and 6.5% use thrice

**Chart 9: Satisfaction of the users towards usage of E-wallet services**

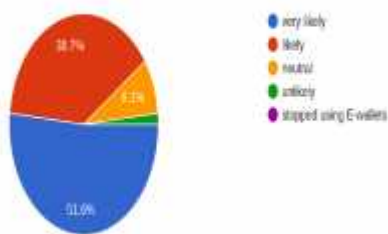
Satisfaction of the users towards usage of E-wallet services  
 63 responses



**Interpretation:** The study shows that 37.1% of the respondents are satisfied with the service provided by the mobile wallet providers and 54.8% are highly satisfied with the service provided, 8.1% with neutral option.

**Chart 10: Preference to continue using Digital-wallet**

Preference to continue using Digital-wallet  
 62 responses



**Interpretation:** As the respondents are satisfied with the service provided by the M-wallet service providers 51.6% of the respondents are very likely to prefer M-wallets and 38.7% of the respondents are likely willing to use. 8.1% of the respondents' survey are of neutral opinion while 1.6% of the respondents are opinion that they may not prefer to continue using M-wallet.

## VII. Findings of the Study

- Majority of the respondents are male who have responded for this study.
- Among the respondents who have replied, majority are in the age group of 20-30 years who use e-wallets.
- The respondent's awareness about mobile wallet payment services is high.
- Majority of the respondents are aware and prefer using google pay followed by phone pe.
- The respondents prefer using digital-wallets for transferring money followed by recharge and for Online Shopping.
- The, Convenience, Availability, Service acceptance, Security and Reward points are the major factors which influences most of the respondents to use digital -wallets
- Majority of the respondents use digital -wallet frequently.



- A large number of the respondents are satisfied with the service provided by them whereas a few numbers of the respondents are highly satisfied with the service used.
- As most of the respondents are satisfied with the service provided, majority of the respondents prefer to continue using digital -wallet.
- Security, necessity, time and services used are the factors which influence the preferences of the respondents.

### VIII. Conclusion

The goal of the research was to learn more about customer awareness, perceptions, and readiness to utilise digital wallets. The study investigated the awareness, usage, and possibility of using smart phones to complete monetary transactions. The spread of internet access and smart phones has resulted in an increase in the number of people using digital wallets. Consumers are becoming increasingly interested in digital wallets. According to the study's findings, digital wallets are becoming increasingly popular among young people, such as students and employees. Among the other wallet services, Google pay was found to be the most popular. When a user uses digital wallets to make an online payment, the respondents are influenced by a variety of things. One of the most significant roadblocks is security concerns, which cause customers to be concerned about their personal information being exposed. As a result, digital wallet providers must comprehend and meet consumers' trust and expectations. In India, digital wallets are becoming more popular as people rely on the digital lifestyle to make things easier and faster, and they are welcoming digital wallets with open arms.

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