

COMPARATIVE STUDY ON CONSUMER BEHAVIOUR TOWARDS DIGITAL WALLETS

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ABSTRACT

Digital wallets have become a very important application in the daily life of the individual. The usage of the digital wallets in India has increased from the day where demonetization has taken place. When it comes to the usage of the digital wallets after the demonetization the graph increased. Due to the lack of the liquid cash in the country the people of the country faced lot of problems. Despite having the money with them they were unable to use them due to the lack of liquid cash in the country. There were long lines in front of the banks and ATMs. And due to this situation the banks had kept the limitations in drawing the money from the bank in order to supply the available cash to the whole nation. This was the time where people had to use the digital payments method which they were ignoring till that day. And many new users also have started to use these digital wallets.

In this comparative study about the digital wallets the comparisons are done between the popular 5 digital wallets in India which are Paytm, Phonepe, Amazon pay, Freecharge and Google Pay.

INTRODUCTION

Consumer behaviour is a social physical and the psychological behaviour of the potential consumers. According to Paul and Walter, 'Consumer behaviour is the approach of the individuals where they decide whether, what, where, from and when to purchase the goods and services.' The consumer behaviour is studied effectively with the information brought from the stimulus response model. This process is made up of the following stages input—process—output—feedback. The potential consumers are given various input stimuli. Responding to the given stimuli the respondents will make the purchases which will be considered as the outputs.

Usually people had the fear of the online payments because they were not sure about the transactions done online. There were many instances where the money frauds happened online. So people had a very bad impression on the digital payments. Due to the demonetization in India people had no other way to make their transactions so they had to use these digital wallets in order to make their transactions. Due to the necessity of the people they started using these digital wallets and once they started using them they came to know the features of the digital wallets and the comfort in using digital wallets. This is how the usage of the digital wallets in India has increased.

Digital payment is the term which refers to the transactions done by the consumer through the electronic medium which includes the payments which are done for the goods and services that are done in the internet through mobile phones at POS (point of sale) and also peer to peer which are the transactions done between the private users.

RESEARCH METHODOLOGY

NEED FOR THE STUDY

Study of the consumer behavior is very important for an organization because it helps in understanding ideology of the consumer during the purchase. This helps in understanding the customer preference and make the products as per the expectations and needs of the customers.

This study may also help in the demand forecasting and understanding changes occurring the market, market competition, consumers' reaction towards the technological changes, etc. This study also helps in developing new products and also increasing the level of satisfaction of the customers by knowing their preference clearly.

OBJECTIVES OF THE STUDY:

- Consumer awareness towards digital wallets.
- Comparison of different digital wallets.
- Study of the marketing strategies implemented by different digital wallets.
- The most preferred digital wallet for different purposes.
- Consumer satisfaction level

SCOPE OF THE STUDY

Consumer behavior can be defined as the particular thought process which a consumer undergoes during the purchase of goods or services. The scope of the study is understanding the approach of the consumers towards digital wallets.

The study considers the perception of consumers and does not focus on the ground realities.

The scope of study covers the consumer's age group, employment status, educational qualifications annual income, gender etc. which plays a major role in framing of the consumer behavior.

HYPOTHESIS

1.H₀: There is no significant association between age and level of awareness towards hidden service charges

2.H₀: There is no significant association between annual occupation and level of awareness towards hidden service charges

3.H₀: There is no significant association between age and Impact by word of mouth

4.H₀: There is no significant association between occupation and Impact by word of mouth

STATISTICAL TOOLS FOR DATA ANALYSIS

1. Questionnaire
2. Chi-square analysis

Sample design:

This sample design technique is the definite plan for obtaining a sample from a very large population. Simple random study is followed in this study. From the different demographical features of age, gender, annual income, occupation etc. the responses are taken. The number of responses collected are 130. This study is done on the respondents who are majorly from Hyderabad.

DATA COLLECTION

Primary and secondary data are collected for the purpose of this study.

Primary data: The primary data is the data which is collected for the first time. In this study the primary data is collected from the questionnaire. A questionnaire is prepared and is filled by the 130 respondents who are from different age, occupation, annual income. So this data is considered as the primary data for this study.

Secondary data: The secondary data is the data which is collected from the past which is already existing. In this study the company profiles of different digital wallets are collected. Journal, research papers on e-wallets, digital wallets etc. are studied and the information is collected.

Limitations of the study: Limitations of this project are given below

- This study is limited to only considering few digital wallets.
- The data is collected from a sample which is confined only to Hyderabad city.
- For creating good image, respondents may give responses which vary from the facts.
- Some respondent's opinions could be biased.

DATA ANALYSIS AND INTERPRETATION

CHI SQUARE ANALYSIS

1.H₀: There is no significant association between age and level of awareness towards hidden service charges

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	53.105 ^a	12	.004
Likelihood Ratio	56.689	12	.000
Linear-by-Linear Association	6.426	1	.011
N of Valid Cases	130		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .46.

The chi-square value from the above table is 0.004 which is less than 0.05. Therefore, it can be concluded that there is a significant association between age and the level of awareness towards the hidden service charges.

2.H₀: There is no significant association between occupation and level of awareness towards hidden service charges

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.825 ^a	8	.278
Likelihood Ratio	10.528	8	.230
Linear-by-Linear Association	2.962	1	.085
N of Valid Cases	130		

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is .18.

The chi-square value from the above table is 0.278 which is greater than 0.05. Therefore, it can be concluded that there is no significant association between the occupation and the level of awareness towards the hidden service charges.

3.H₀: There is no significant association between age and Impact by word of mouth

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.765 ^a	12	.202
Likelihood Ratio	19.994	12	.067
Linear-by-Linear Association	2.597	1	.107
N of Valid Cases	130		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .12.

The chi square value from the above table is 0.202 which is more than 0.05. Therefore, it can be concluded that there is no significant association between age and the impact from the word of mouth for using digital wallets.

4.H₀: There is no significant association between occupation and Impact by word of mouth

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.754 ^a	8	.046
Likelihood Ratio	15.041	8	.058
Linear-by-Linear Association	.166	1	.683
N of Valid Cases	130		

a. 8 cells (53.3%) have expected count less than 5. The minimum expected count is .05.

The chi square value from the above table is 0.046 which is less than 0.05. Therefore, it can be concluded that there is a significant association between Occupation and the impact form the word of mouth for using digital wallets.

FINDINGS:

- According to the survey it is been proven that more than 68% of the respondents are aware of the digital wallets
- Nearly 70% of the respondents are impacted by the word of mouth for using the digital wallets.
- 80% of the respondents are using the digital wallets for the purpose of money transfer.
- 69% of the respondents are using the digital wallets for the purpose of Recharges
- Most of the respondents are not aware of the hidden service charges in the digital wallets.
- The amount of the money which is spent through the digital wallets is below Rs.2000 by 29% of the respondents and between 10000-50000 by 25% of the respondents.
- More than 85% of the respondents are highly satisfied with the ease of access provided by the digital wallets.
- 60% of the respondents feel that the payments through the digital wallets are secured and the other 40% are not feeling secured by the digital wallets payments.
- 44% of the respondents are attracted to Paytm because of its Coupons.
- More than 50% of the respondents feel that they lost control over spending money because of the usage of the digital wallets.

STATISTICAL FINDINGS:

S no	Null hypothesis	Value	Result
1	H ₀ : There is no significant association between age and level of awareness towards hidden service charges	0.004	Rejected
2	H ₀ : There is no significant association between age and level of awareness towards hidden service charges	0.278	Accepted
3	H ₀ : There is no significant association between age and Impact by word of mouth	0.000	Rejected
4	H ₀ : There is no significant association between age and Impact by word of mouth	0.625	Accepted

CONCLUSIONS:

- According to the survey it has been found that 68% of the respondents are aware of the digital wallets. Thus it can be concluded that the number of people who are aware of the digital wallets are considerably higher than the ones who aren't.
- Apart from the services provided the digital wallets must also be available widely in the market.
- Phonepe has been ranked as the most preferred digital wallet among the five wallets compared.
- Paytm is a strong market competitor to google pay in terms of money transfer.
- The research proves that most of the people lost control over spending money due to the use of digital wallets.
- Digital wallets which offer more Coupons and discounts are more attractive to the customers.
- Education qualification and Occupation has no impact on level of awareness towards hidden service charges.
- 70% of the respondents are impacted by the word of mouth for using the digital wallets.
- Different digital wallets are pushing their product into the market by offering coupons and cashback rewards. This is one of the strategies adopted by different digital wallets to reach more customers.
- As per the research it has been found that consumers are satisfied with the services provided by digital wallets in terms of ease of access and Time saving.
- Income levels and education of the consumers are to be analysed more carefully as the trend shows that, these factors play crucial role in deciding the consuming behaviour.
- Overall study shows that there is still scope for the digital wallets to penetrate into the market

SUGGESTIONS:

- Customers are ready to use specific digital wallets if they are widely available with the vendors in the market. Hence, the companies need to analyse more on the expansion of their product with the retailers. This will automatically increase their user base
- The customer retention is more important for the digital wallets because a better offer from the competitor makes the customer switch to other digital wallet within no time.
- Elderly people are finding it difficult to use digital wallets due to their complexity. Companies should make their applications more user friendly so the elderly people finds it easy.
- Providing more coupons to the customers brings the customers to the digital wallets.