



A STUDY OF CONSUMER PERCEPTION TOWARDS MOBILE WALLETS

*Ravi kant Sharma (Research Scholar of Jiwaji University)

**Dr. Deepak Singh (Principal, S.R.D. College, Morena {M.P})

Abstract

Mobile phones are used everywhere in this modern world. The technological advancement has made everything possible under one touch. By using the applications installed in the mobile phones the users can pay any bills and transact their money to anyone at their convenience. Increase in use of mobile phones and internet is the main reason for mobile wallet penetration. This study was carried out to find out the factors that affects consumers preference towards mobile wallet. Using a structured questionnaire primary data was collected from 100 respondents. ANOVA and frequency analysis were used to find out the factor that affects consumer preference and Impact of demographic factors on consumer preference towards mobile wallet were also analysed.

Key Words: Mobile wallet, Digital Payment, Consumer preference

❖ INTRODUCTION

The mobile wallet is the digital equivalent to the physical wallet in which we carry money. It is an online platform which allows a user to keep money in it, just like a bank account. A user needs to make an account with a mobile service provider. After which money is added to the mobile wallet account using a debit, credit, online transactions from the account or via cash. The main difference between a mobile wallet and online transactions via bank account is that unlike banks mobile wallet does not charge any amount of money on every transaction and saves the customer from the hassle of entering card details and pin number for each and every transaction.

The mobile wallet is often confused with mobile banking but is a much broader concept that includes using the mobile phone as a mode of payment. It is the digital equivalent to the physical wallet we already have in our pockets/bags today. Our mobile phones are with us at all times, and as we use them for payments to retailers, traveling on public transport and a myriad other things, the need for physical cash diminishes.

The field of mobile payments is growing rapidly. After the advent of demonetization adoption of m-wallets is significantly encouraged by our Prime Minister Shri. Narendra Modi. Mobile payments have unique set of capabilities to meet the challenges posed by the traditional payment system.

It works as a cashless payment mode. Various companies are entering the arena. Service providers like Paytm, Oxigen wallet, Google pay and Free Charge are bringing new digital payments offerings in the market. Furthermore Banks in India are also launching digital wallets to create a competitive environment. State Bank of India (SBI) launched the first State Bank Buddy mobile wallet in August 2015. Other digital

wallets launched by banks include Pockets (ICICI Bank) and Lime (Axis Bank) in 2015. Many studies have explored the breakthrough in this technology. Many have discussed it in reference to technology and adoption. This study investigates the consumer behaviour for acceptance and adoption of mobile payments.

➤ TYPES OF WALLETS

There are three types of mobile wallets in India – open, semi-closed and closed.

Open wallets – can only be issued by the banks. They allow you to purchase goods and services, cash withdrawal at ATMs and to transfer funds.

Semi-closed wallets – have a specific contract with the issuer to accept the payment instruments. They will allow you to buy goods and services or perform financial services at clearly identified merchant locations.

Closed wallets – are accounts issued by a company to a consumer for buying goods and services exclusively from that company. Here a certain amount of money is locked with the company in case of a cancellation or return of the order, or gift cards.

➤ FACTORS THAT AFFECT CONSUMER'S PERCEPTION TOWARDS M-WALLETS

1) Privacy and Anonymity- Privacy and Anonymity are important for m wallet usage and demonstrate the ability to enable the access to protected data by authorized entities only. Privacy is defined as the protection of sensitive user data and therefore plays an important role in the user decision to use or not use the m wallets. Privacy and anonymity concerns arise on personal information of the users.

2) Flexibility of usage- Flexibility of usage refers to the facility of using the m wallet across various user devices. Also these days when people keep on changing their mobile devices frequently, flexibility is also important for the consumers to be able to switch their mobile devices easily so the users do not have to put much time or effort in transferring data or apps from one mobile device to another.

3) Mobility- Mobility means the ability to move or be moved freely and easily. It is the main factor which is used to calculate how much a person wants its advantages in terms of space, time and accessibility. Today, mobile technology has given scope to users to communicate and transfer the data anytime and anywhere.

4) Convenience- Convenience means the state of being able to proceed without difficulty. With mobile driven technology, it becomes easy and comfortable to use and adopt services provided. If we compare it to traditional services, where user has to stand in long queues and wait for any bill payments, it is now convenient to avail these services through mobiles.

5) Trust- Trust is defined as a willingness to use the new service with a sense of comfort, safety, and risk acceptance. Customer's trust has been recognized as an important factor for the success of mobile banking in the context in which the transactions are made in a telephone network that is more vulnerable and uncertain than the traditional payment transaction.

6) Usage Cost- The cost of using the m wallets for transactions may also affect the users' decision to use or not use the m wallets. There is transaction costs associated with online payments and the user will use a particular payment method if he or she feels that the costs associated with the payment method are not causing any loss to him/her.

7) Speed of Transaction- Transaction speed is an important factor for online payments. The same holds true for m wallets. The time taken for a particular transaction would influence the user's decision to adopt m wallets. The users are more likely to use m wallets if they feel that they can complete the payments faster than other traditional methods.

8) Ease of use- whenever the users are presented with a new technology, the ease of use plays an important role in the decision to accept or reject it. In case of m wallets also the ease of use will impact the users' intention to accept. The users will accept the m wallets easily if they are able to understand the working process clearly.

➤ LIST OF BEST MOBILE WALLETS IN INDIA

1. Paytm
2. PhonePe
3. Freecharge
4. MobiKwik
5. Google Pay
6. Amazon Pay
7. Airtel Money

❖ REVIEW OF LITERATURE

Barker (1992) measured the attitude of Turkish consumers towards credit cards, and the approach of card issuers by surveying two samples of 200 card holders and non-holders. The most significant reasons for using a credit card were “ease of payment”, followed by “risk of carrying cash”. Non holders do not carry credit cards because they do not know much about it. Informal sources of information appear to be more influential than mass media advertising in penetrating the market. The study suggests that credit card companies have to re appropriate their marketing and administrative procedures rather than following a standardized approach.

Ngoc Doan (2014) examined the market situation of mobile consumers toward mobile wallet. The study states that the adoption of mobile wallet among consumers in Finland is only at the beginning stage and the success of mobile wallets depends on the marketing strategies of mobile wallet companies as well as the financial policymakers in Finland.

Wiedemann (2008) found performance expectancy, effort expectancy, social influence, and facilitating conditions as the variables impacting the intention to use m-Wallets. To conclude it can be explained that mobile payments are new ways of making payments. There is concern among the customers and users for data confidentiality and security. Although consumers show anxiety over the security and trust issues, but they are willing to bend their rules keeping in mind the convenience and other advantages of mobile payments.

Trilok Nath Shukla (2016) discussed about mobile wallet, working, types and its advantages and disadvantages. His analysis included perception of consumers and retailers about mobile wallets. He concluded that mobile wallets will be used to engage with the customer by the marketers and digital businesses. Irrespective of the market status of these mobile wallets, marketers should take advantage of the emerging opportunities.

RmeshSardar (2016) in his study, “Preference towards mobile wallets among the urban population of Jalgaon City” makes an attempt to examine the preference towards mobile wallets among the urban population of Jalgaon city and effectively analysed the impact of demographic variables on the usage of Mobile wallets. The study reveals that an instant payment is an important factor to opt for Mobile payments. The majority of the respondents are preferred to use Mobile wallet payment to transfer money followed by recharging mobile or DTH payment and soon.

❖ OBJECTIVES OF THE STUDY

- ✓ To study the awareness of youth towards the Mobile wallets in Gwalior city.
- ✓ To find out the preference of mobile wallets among youngsters.
- ✓ To examine the perception of users towards the mobile wallet.
- ✓ To find out the impact of demographic factors on consumer preference towards mobile wallet.
- ✓ To identify the factors that affects consumer preference towards mobile wallet.

❖ RESEARCH METHODOLOGY

The study is based on the primary data collected from 100 respondents by using a structured questionnaire. Five point likert scales was used in questionnaire for obtaining responses. The statistical tools applied in this study are ANOVA and frequency analysis. SPSS 16 was used to perform statistical analysis.

❖ HYPOTHESIS OF THE STUDY

H1: There is no significant difference between age and consumer preference towards mobile wallet.

H2: There is no significant difference between gender and consumer preference towards mobile wallet.

H3: There is no significant difference between marital status and consumer preference towards mobile wallet.

H4: There is no significant difference between level of education and consumer preference towards mobile wallet.

H5: There is no significant difference between level of income and consumer preference towards mobile wallet.

Table No. 1
FACTORS WISE CLASSIFICATION TABLE

Age	No. Of Respondent	Percentage
less than 20	4	4
21-30	48	48
31-40	36	36
Above 40	12	12
Total	100	100
Gender		
Male	75	75
Female	25	25
Total	100	100
Occupation		
Private Job	30	30
Business	20	20
Govt. Job	20	20
Self Employed	30	30
Total	100	100
Income		
up to 3 lack	40	40
3 to 5 lack	20	20
5 to 10 lack	30	30
10 lack above	10	10

Total	100	100
Marital Status		
Single	91	91.0
Married	9	9
Total	100	100

INTERPRETATION OF FACTOR WISE CLASSIFICATION TABLE

Demographic profiles of the respondents are inferred from the above table. 48% of the respondents fall under the age group of 21 to 30 years and 36% of the respondents are from 31 to 40 years. 75% are male respondents and 25% are female respondents. 30% of the respondents have private job. And also 30% of the respondent's is self-employed, where as 40% of the respondents income is up to 3 lacks. The less category of income falls Above 10 lacks.

Table 2: Data Analysis between Mode of Online Payment and Various Age Groups

Mode of Online Payment		Sum of Squares	Df	Mean Square	F	Significance
Net Banking	Between Group	1.387	8	.327	.423	.798
	Within Group	99.231	92	.773		
	Total	100.618	100			
Mobile Banking	Between Group	1.657	8	.367	.196	.941
	Within Group	252.978	92	1.990		
	Total	254.635	100			
Mobile Wallet	Between Group	9.800	8	2.080	2.335	.065
	Within Group	115.698	92	.978		
	Total	125.498	100			

INTERPRETATION: Significant level in relation to the online payment and the age group related to mobile wallet is .65 which is above .05 and therefore there is no significance difference between the age group and the mode of payment.

Testing of Hypothesis

Table 3: Computation of ANOVA on the basis of Demographic profile

Factors	Age		Gender		Marital Status		Income Level	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
V 1	1.187	.319	.387	.535	24.410	.000	2.849	.042
V 2	.977	.407	.288	.593	1.216	.273	1.500	.219
V 3	1.395	.249	7.481	.007	32.100	.000	2.049	.112
V 4	.345	.793	.829	.365	5.168	.025	1.578	.200
V 5	.858	.466	2.204	.141	.766	.384	.695	.557
V 6	.507	.678	3.940	.050	.908	.343	3.832	.012
V 7	.633	.595	3.394	.068	24.615	.000	1.597	.195
V 8	.938	.426	2.695	.104	31.043	.000	3.727	.014

V 9	.293	.831	.874	.352	1.128	.291	1.907	.134
V 10	2.846	.042	7.352	.008	49.034	.000	4.721	.004

INTERPRETATION: The maximum number of variables in consumer preference factors is greater than table value 0.05 hence the null hypothesis is accepted at 5% level. There is no significant difference between age, gender and income level. The maximum number of variables in consumer preference factors is lesser than table value 0.05 hence the null hypothesis is rejected at 5% level. There is significant difference between marital statuses and education.

❖ CONCLUSION

After demonetization mobile wallet usage has become more popular. Internet problem and payment for two digit amount are the commonly issues faced by the respondents and also people are not willing to pay extra money. Whether it is a payment or transaction, mobile wallet is considered as a most convenient method. Financial literacy should be there in a country to adopt these kinds of changes. Mobile wallet payment is a big platform for new technology which promotes financial institutions in India through mobile technology and also helps to increase their customers and its usage. The security issues are tightened and are reduced will automatically increase the adoption of a mobile wallet. Recently, everyone has a smart phone but there is need to create awareness and acceptance about the mobile wallet services which is comfortable, very secure, confidential, safe and convenient without any efforts and interruption.

❖ REFERENCES

- Dr. Hem Shweta Rathore (2016) “Adoption of digital wallet by consumers” BVIMSR’s Journal of management research Volume 8 issue 1, pp 69-75.
- Padashetty D.S, Kishore KS (2013) “An empirical study on consumer adoption of mobile payments in Bangalore city-a case study” Researchers World. Volume 4 issue 1, pp 83 - 94.
- Rai, N., Ashok, A., Chakraborty, J., Arolker, P., &Gajera, S. (2012). M-wallet: An SMS based payment system. International Journal of Engineering Research and Applications, 258-263.
- <http://www.socialbeat.in/2015/09/29/top-10-mobile-wallets-in-india/>
- Poonam Painuly and Shalu Rathi (2016) “Mobile wallet: An upcoming mode of business transactions” International journal in management and social science. Volume 4 pp356- 363.
- Hem Shweta Rathore (2016) “Adoption of digital wallet by consumers” BVIMSR’s journal of management research. Volume 8 issue 1, pp 69-75.
- Anuradha and R. Durga (2016) “An Empirical Study on The Usage of Mobile Phone Among Small Vendors In Tiruchirappalli.” Journal of Management, 7(2), pp. 502–509.
- Shukla, T. N., Mobile wallet: present and the future, Vol. 5, No. 3, June 2016 (ISSN 2278 –5973). Available: ssijmar.in/vol5no3/vol5no3.6.pdf