



JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)

An International Scholarly Open Access, Peer-reviewed, Refereed Journal

IMPACT OF DIGITAL WALLETS AND FINTECH SERVICES ON CUSTOMER SATISFACTION

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ABSTRACT

The study is primarily focused on examining the variables that influence consumers' use of digital wallet systems as well as the utilization and adoption of fintech services that influence the usage of digital wallets as a fintech service among customers. It focuses on the digitalization of financial services by identifying the factors impacting the acceptance and use of digital wallets with fintech services. To determine the elements that affect consumer preferences for the digital wallet system and their utilization, as well as customer attitudes toward the digital wallet as a fintech service and their desire to use it, digital wallet with fintech services was researched. Problems with Indian banking industries and customer impression of digital wallet as a fintech service that favors digital wallets. The fintech era's contribution to the development of the industry and its effects on India's banking and financial sectors is crucial. The impact of the fintech revolution in financial technology on India's financial services sector is anticipated to grow in the future, making use of digital e-wallets more important for gauging client knowledge, usage, and preferences in the digital era. The study highlights the elements that affect consumers' perceptions of digital payment as a Fintech service as well as the adoption of digital wallets with Fintech services. With the help of banking applications, which have facilitated users' use of digital transactions, fintech has had an impact on general economic growth. All financial operations, including cashless transactions, investment management, and credit applications, are now conducted through fintech. Fintech services aid in digital wallets' technological integration, forecasting, and process optimization.

Key Words: Digital wallet, Fintech services, Customer satisfaction

INTRODUCTION

Applications created to conduct electronic transactions to increase access to financial services via Fintech are referred to as digital wallets. With the use of Fintech services, digital wallets reduce the need for and use of physical cash and securely store all of a customer's financial data. Any software, electronic gadget, or internet service that enables people or organizations to conduct transactions electronically is referred to as a digital wallet. It maintains customer data for multiple payment methods on many websites, along with additional goods like gift cards and driver's licenses. E-wallets are another name for digital wallets. An application for financial transactions known as a digital wallet (or electronic wallet) can be used on any connected device. All of the financial data and passwords are safely stored in the cloud. A computer or mobile device may be used to access digital wallets as a fintech service. The use of digital wallets allows us to make purchases without having to carry cash or credit cards with us. It can be used to store identification cards, driver's licenses, and other documents as well.

Even a bank's mobile app or payment application may incorporate it.

In addition to being easier to use, digital wallets with fintech services are also safer than conventional financial transactions. To use the service offered by digital wallets, customers must download the necessary apps developed by banks or other reputable third parties.

As a fintech service, a digital wallet safely and conveniently maintains all of the users' payment information. As a result, it lessens the need for carrying actual wallets. For this digital wallet with financial services, gathering customer data is crucial since it will help them understand consumer buying patterns and improve the efficiency of their product marketing strategies. By utilizing digital wallets as a fintech service, many developing nations may be able to participate more actively in the global financial market. Which would enable users to send money to friends and relatives who live in distant countries and receive other financial advantages. Digital wallets also do away with the necessity to open and maintain a bank account with physical banks and businesses. As a result, they also link residents and companies in remote locations. To secure the financial information of the clients, it makes use of personal information, authentication, monitoring, and data encryption. It offers other security measures include tokenization, which replaces sensitive data with randomly generated numbers and then transmits them through the networks used by debit and credit cards. Sandboxing architecture on mobile operating systems is used by digital wallets with fintech services to ensure security. The separation of specific apps from harmful malware is known as sandboxing. Businesses can create their own international account with a multi-currency IBAN in their organization's name thanks to fintech services in the digital wallet. These wallets are helpful in streamlining the same-day payment process. These can be used by individuals to store information and transmit money, preparing them for quick payments.

REVIEW OF LITERATURE

Lonare et al. (2018) aimed to explain the factors that influence the importance of m-wallet adoption and also discussed the usage gap proportion in Tier-2 and metro cities. It was revealed that the E-Wallet user base in metropolitan towns is more likely compared to tier-2 cities. The only important variable for the adoption of m-

wallets was described as simplicity. However, it was observed that business vendors who have adopted m-wallets are much less than was initially thought. In the case of consumers, demonetization has very little impact on their adoption, and from the vendor's perspective, demonetization has enabled a large number of shopkeepers to accept payments through m-wallets

Punwatkar & Verghese (2018) revealed, there are various factors such as 'economic value', 'perceived usefulness', 'perceived security', 'privacy', 'know-how', and 'intention to use' that positively affect the adoption of digital payments among users. The analysis of the study didn't identify any strong evidence of the 'perceived usefulness' with the adoption. It is also observed that the participants are enthusiastic about this new technology for doing payments. 'Perceived security' is the major factor that affects the adoption of consumer behaviour.

Chawla & Joshi (2019) examined consumer attitudes and intentions to use m-wallets. It is observed from this paper that people still prefer cash and debit cards over any digital payments. TAM and the Unified theory of acceptance model were adopted in this paper. The findings indicated that 'perceived ease of use', 'perceived usefulness', 'trust', 'security', 'facilitating conditions', and 'lifestyle compatibility' have a major impact on the attitude towards customers using the m-wallets. The awareness level of people towards m-wallets are rising. Perceived ease of using m-wallets has a considerable direct effect on perceived usefulness and trust factor.

Rani & Suresh (2019) highlighted various factors that strongly influence consumers to use m wallets. One reason for rising cashless payments nowadays is the high consumption of smartphones by people. Twelve factors are mentioned in this paper that shapes the adoption of this technology and factor analysis was applied for the analysis. The results showed that 'convenience', 'intention for payment purpose', 'save time', and 'offer discounts and rewards' are the main factors persuading consumers. Also, people utilize cashless wallets because of the immediate transfer of funds.

Sharma & Kulshreshtha (2019) analysed that consumers are shifting their opinions regarding m-wallets, technology is advancing and younger generations are getting more attracted to these services. The study was done in Tier-2 & Tier-3 cities. One important observation of this study is that in these cities, males tend to use more m-wallets than females. Various factors were examined which influence the purpose to use m-wallets and classified every factor into convenience, safety, complexity, trainability, compatibility, quality of service, privacy, information availability, and ease of use by applying exploratory factor analysis.

Taufan & Yuwono (2019) analysed the adoption of the Go-Pay m-wallet of Indonesia among the users. The researchers have used TAM approach and have stated that perceived value, perceived ease of use and perceived usefulness are the important factors that influence the adoption of the Go Pay m-wallet in Indonesia. The study also mentioned that Go Pay is the most used m-wallet in Indonesia.

SCOPE OF THE STUDY

In this research study primary and secondary data have been gathered for this study, the respondents for this study will be chosen at random from Bangalore. The questionnaire method is employed in this study's research

approach to gather data. Sample Size and Sampling Method The sample size is 200 and the convenience sampling method is being used.

OBJECTIVE OF THE STUDY

1. To study the influencing factors of digital wallet and Fintech service on customer satisfaction
2. To analyse level of influence of digital and Fintech service on customer satisfaction
3. To examines overall customer experience on usage of digital wallet and fintech services

RESEARCH METHODOLOGY

This study is based on the empirical method of research where Primary data is gathered from the customers from a convenient method of sampling by using a questionnaire survey method. The sample size is limited to 200 respondents. Secondary data is used by both published and unpublished journals. Data will be gathered from a variety of sources, including books, periodicals, journals, and the Internet.

DATA ANALYSIS & INTERPRETATION

TABLE 1: TABLES SHOWING GENDER, AGE & LEVEL OF EDUCATION OF THE RESPONDENTS

| | |
|--------|-----|
| Male | 106 |
| Female | 94 |

| PARTICULARS | NO.OF RESPONDENTS |
|-------------|-------------------|
| 18 To 30 | 100 |
| 31 To 50 | 80 |
| 51 To 60 | 20 |
| Above 60 | - |
| Below 18 | - |
| Total | 200 |

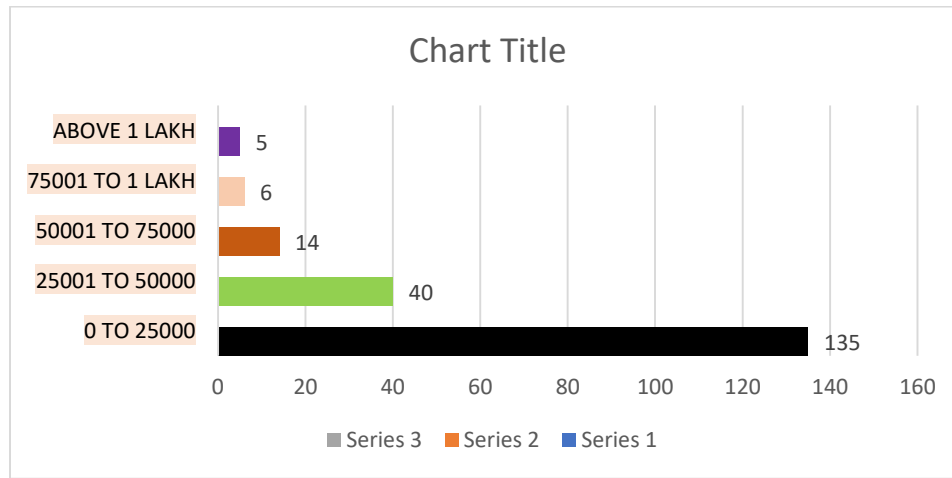
| PARTICULARS | NO.OF RESPONDENTS |
|---------------------|-------------------|
| High School | 60 |
| Graduate | 86 |
| Undergraduate | 35 |
| Postgraduate | 13 |
| Professional Degree | 3 |
| Hdhs | 1 |
| Housewife | 1 |
| Driver | 1 |
| Total | 200 |

INTERPRETATION: The aforementioned table and graph reflect the gender of respondent with 53% of them being female and the remaining 47% being men. , 50% of respondents are between the ages of 18 and 30; 40% are between the ages of 31 and 50; and 10% are between the ages of 51 and 60. Educational backgrounds, with 53% of the population being graduates and the remaining 47% being undergrads or working in other professions.

TABLE 4: SHOWING MONTHLY INCOME OF RESPONDENTS

| PARTICULARS | NO.OF RESPONDENTS |
|-----------------|-------------------|
| 0 TO 25000 | 135 |
| 25001 TO 50000 | 40 |
| 50001 TO 75000 | 14 |
| 75001 TO 100000 | 6 |
| ABOVE 100000 | 5 |
| TOTAL | 200 |

CHART 4: SHOWING MONTHLY INCOME OF THE RESPONDENTS:

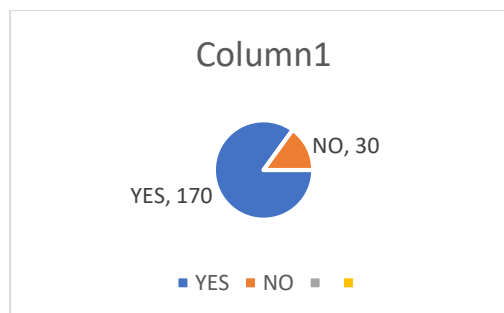


INTERPRETATION: The table and graph above demonstrate that 68% of the population earns between zero and twenty-five thousand dollars. 20% of those surveyed make between Rs. 25,000 and Rs. 50,000, and the remaining 22% earn more than Rs. 50,000

TABLE 5: SHOWING DO YOU USE THE DIGITAL WALLETS OF RESPONDENTS:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------|-------------------|
| Yes | 170 |
| No | 30 |
| Total | 200 |

CHART 5: SHOWING DO YOU USE DIGITAL WALLETS OF RESPONDENTS:

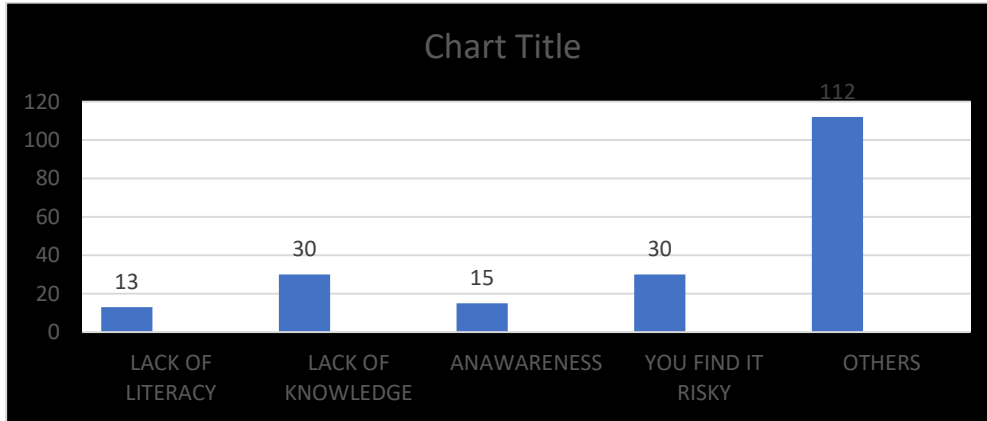


INTERPRETATION: The table and graph above reveal that 85% of respondents utilize digital wallets, while the other 15% do not.

TABLE 6: SHOWING IF YOU ARE NOT USING DIGITAL WALLETS PLEASE SPECIFY THE REASON:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Lack Of Literacy | 3 |
| Lack Of Knowledge | 13 |
| Unawareness | 12 |
| You Find It Risky | 2 |
| Total | 30 |

CHART 6: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

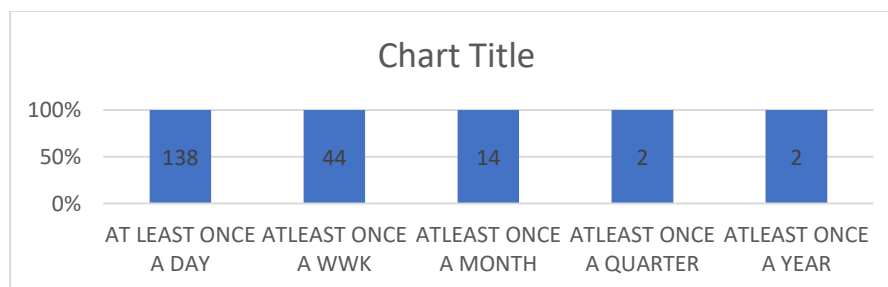


INTERPRETATION: The aforementioned table and graph demonstrate that, of the 30 respondents, the majority do not have knowledge of digital wallets in relation to fintech services, while others do not have awareness of them due to illiteracy, and a small number believe it is risky to use digital wallets with fintech services.

TABLE 7: SHOWING HOW OFTEN DO RESPONDENTS USE DIGITAL WALLETS:

| PARTICULARS | NO. OF RESPONDENTS |
|------------------------|--------------------|
| At Least Once A Day | 138 |
| At Least Once A Week | 44 |
| At Least Once A Month | 14 |
| Atleast Once A Quarter | 2 |
| At Least Once A Year | 2 |
| TOTAL | 200 |

CHART 7: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

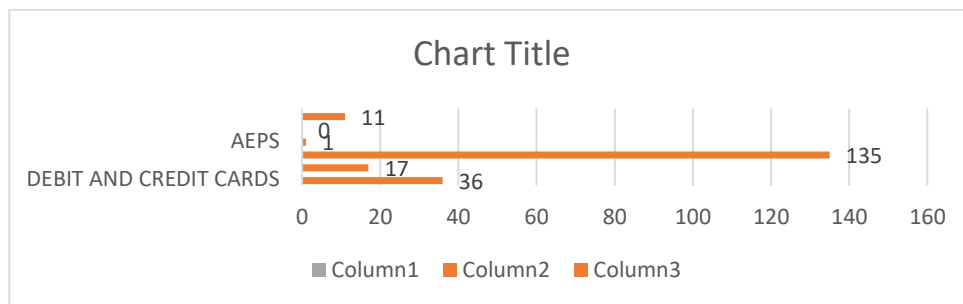


INTERPRETATION: The aforementioned table and graph demonstrate that 69% of the population uses fintech services, specifically digital wallets. 22% of people will use their digital wallets once a week, and others will do so once a month, once a quarter, and once a year.

TABLE 8: WHICH OF THE MODES OF DIGITAL WALLETS AS A FINTECH SERVICE DO RESPONDENTS USE:

| PARTICULARS | NO.OF RESPONDENTS |
|------------------------|-------------------|
| Debit And Credit Cards | 36 |
| Net Banking | 17 |
| Upi Apps | 135 |
| Aeps | 1 |
| *99# Or Ussd | 0 |
| Digital Wallets | 11 |
| TOTAL | 200 |

CHART 8: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

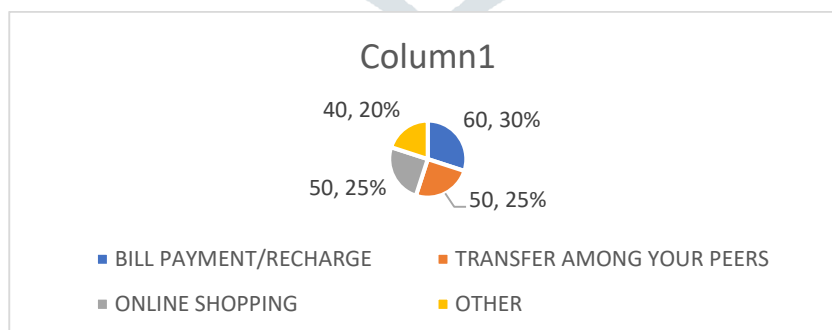


INTERPRETATION: According to the aforementioned table and graph, 68% of the population uses UPI apps, while 18% of respondents use cards and others use other digital wallets.

TABLE 9: WHICH SERVICES DO RESPONDENTS PAY USING THESE MODES:

| PARTICULARS | NO.OF RESPONDENTS |
|---------------------------------|-------------------|
| Bill Payment/Recharge | 60 |
| Transfer Money Among Your Peers | 50 |
| Online Shopping | 50 |
| Other | 40 |
| Total | 200 |

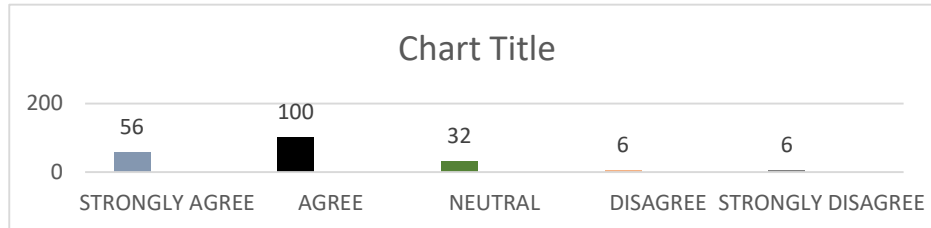
CHART 9: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:



INTERPRETATION: The aforementioned table and graph demonstrate that 30% of the population uses a digital wallet to pay bills, 25% of respondents use it for online shopping, 25% of respondents use it for money transfers, and the remaining 20% use it for other purposes.

TABLE 10: I USE INTERNET BANKING, CREDIT CARDS OR MOBILE PAYMENTS TO MAKE PURCHASES:

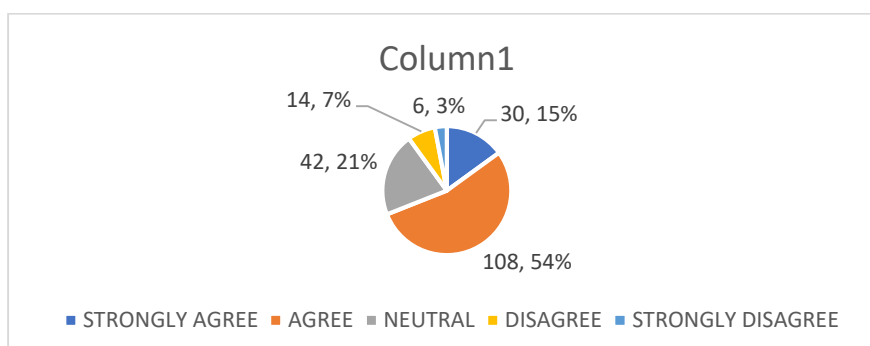
| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 56 |
| Agree | 100 |
| Neutral | 32 |
| Disagree | 6 |
| Strongly Disagree | 6 |
| TOTAL | 200 |

CHART 10: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

INTERPRETATION: The table and graph above demonstrate that 75% of the public agrees that using credit cards, mobile payments, and internet banking are acceptable forms of payment, while the remaining 25% disagree.

TABLE 11: MOSTLY USE DIGITAL WALLETS AS FINTECH SERVICE WHEN PURCHASING GOODS OR SERVICES VIA MOBILE PHONE:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 30 |
| Agree | 108 |
| Neutral | 42 |
| Disagree | 14 |
| Strongly Disagree | 6 |
| Total | 200 |

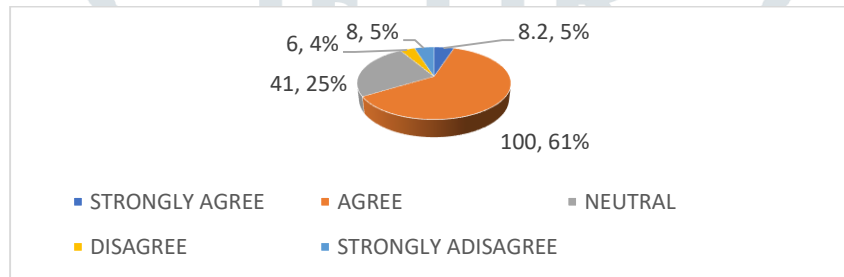
CHART 11: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

INTERPRETATION: The aforementioned table and graph reveal that roughly 75% of respondents use digital wallets with fintech services while making mobile purchases of goods and services, while the remainder of respondents disagree with the aforementioned statement.

TABLE 12: CONFIDENT TO USE DIGITAL WALLETS WITH FINTECH SERVICE FOR FINANCIAL TRANSACTIONS:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 45 |
| Agree | 100 |
| Neutral | 41 |
| Disagree | 6 |
| Strongly Disagree | 8 |
| Total | 200 |

CHART 12: SHOWING NO.OF RESPONDENTS TO THE ABOVE CHART:

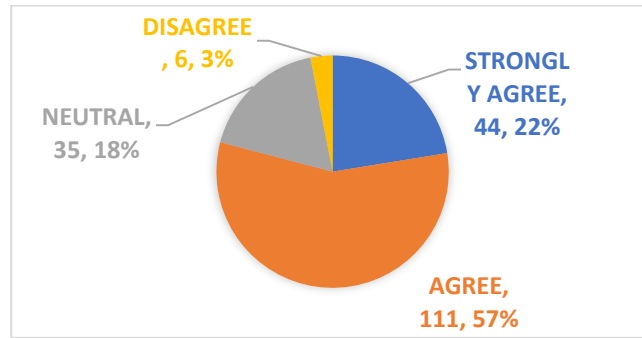


INTERPRETATION: The aforementioned table and graph demonstrate that 78% of respondents are confident using digital wallets with fintech services for financial transactions, whereas the remainder respondents are less confidence.

TABLE 13: EASIER TO TRACK PENDING AND OTHER FINANCIAL INFORMATION WITH THE USAGE OF DIGITAL WALLETS AS FINTECH:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 44 |
| Agree | 111 |
| Neutral | 35 |
| Disagree | 6 |
| Strongly Disagree | 4 |
| Total | 200 |

CHART 13: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

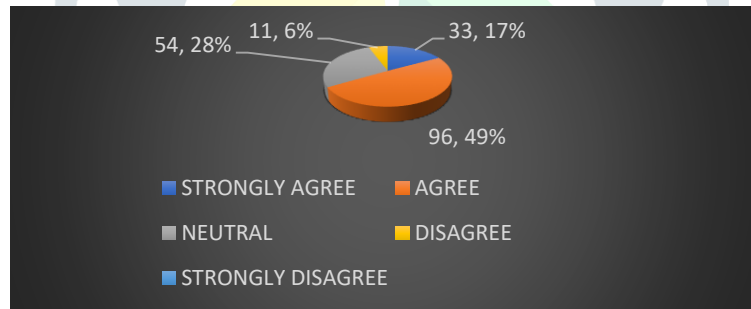


INTERPRETATION: The table and graph above demonstrate that 78% of respondents believe using digital wallets as fintech makes it easier to track pending and other financial information, although some do not agree with the statement above.

TABLE 14: I USE DIGITAL WALLETS AS FINTECH SERVICES BECAUSE OF DISCOUNTS/CASHBACKS/REWARDS:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 33 |
| Agree | 96 |
| Neutral | 54 |
| Disagree | 11 |
| Strongly Disagree | 6 |
| Total | 200 |

CHART 14: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

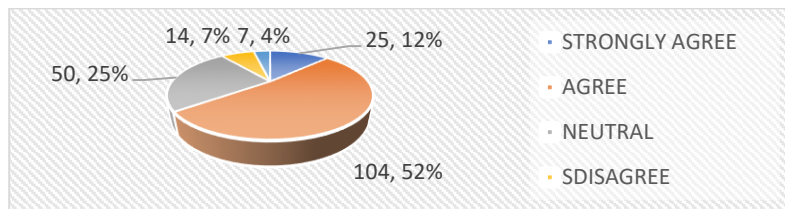


INTERPRETATION: The table and graph above indicate that 65% of respondents agree that they use digital wallets as fintech services because of discounts, cash back, and rewards, while the remainder of respondents do not use these services for the additional services

TABLE 15: USAGE OF DIGITAL WALLETS AS FINTECH SERVICES BECAUSE OF CASH CRUNCHES:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 25 |
| Agree | 104 |
| Neutral | 50 |
| Disagree | 14 |
| Strongly Disagree | 7 |
| Total | 200 |

CHART 15: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:

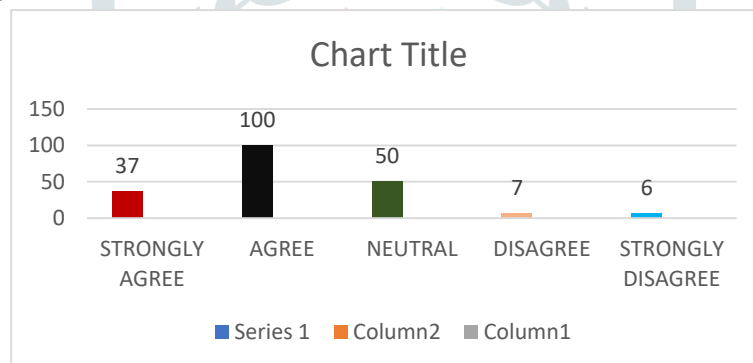


INTERPRETATION: The above table and graph showing that 64% of the respondents are agreeing that customers will use digital wallets as fintech services because of cash crunches and discounts and remaining respondents are using digital wallet for other reasons.

TABLE 16: ENJOY PURCHASING PRODUCTS THROUGH DIGITAL WALLETS:

| PARTICULARS | NO.OF RESPONDENTS |
|-------------------|-------------------|
| Strongly Agree | 37 |
| Agree | 100 |
| Neutral | 50 |
| Disagree | 7 |
| Strongly Disagree | 6 |
| Total | 200 |

CHART 16: SHOWING NO.OF RESPONDENTS TO THE ABOVE QUESTION:



INTERPRETATION: The aforementioned table and graph demonstrate that the majority of respondents, or 79 % of respondents, like purchasing things using digital wallets. The remaining respondents will utilize other for ms of payment.

FINDINGS

- 85% of respondents are using digital wallets and reaming 15% does not use digital wallets.
- 69% of the populations are using this fintech services with references to digital wallet 22% of population will use digital wallet once in a week and others will use digital wallet once in a month , once in a quarter & once in year as well.
- 68% of the population is using UPI apps and 18% of the respondents are using cards and others are using other digital wallets
- 30% of the populations are using digital wallet for paying bills and 25% of respondents are using this services for online shopping and 25% of the respondents are using this for transferring money and remaining are using this for other works.

- 75% of the population is agreeing for the internet banking, credit cards and mobile payments to purchase and remaining 25% don't agree for the above statement.
- 75% of the respondents are using digital wallet with fintech services at the time of purchasing goods and services via mobile phone and remaining are not agreeing for the above statement
- 78% of respondents are confident to use digital wallets with fintech service for financial transactions, and remaining respondents are not so confident to use digital wallets with fintech services
- 78% of the respondents are feeling easier to track pending and other financial information with the usage of digital wallets as fintech but others are not agreeing with the above statement

CONCLUSION

In India, the use of digital wallets as a Fintech service has dramatically expanded. People can use a variety of digital wallets, including Paytm, phones, Google Pay, Free Charge, Airtel Money, Amazon Pay, BHIM, MobiKwik, and others. To satisfy the needs of Indian citizens, fintech services offer a range of services. The goal of the study is to identify and analyze the variables that affect customers' happiness with digital wallets as a FinTech service as well as the impact of digital wallets on that satisfaction. by appreciating the role that digital wallets have played in enhancing how customers interact with financial services as a whole. According to a survey, more respondents in this paper are male than female faculty members, more respondents are graduates, and more respondents use fintech services, particularly digital wallets, to make mobile purchases of goods. The majority of respondents use digital wallets in conjunction with fintech services for internet banking, credit cards, and mobile payments, and most of them feel comfortable using digital wallets.

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