



FACTORS INFLUENCING CUSTOMER ADOPTION OF MOBILE PAYMENTS: EMPIRICAL EXAMINATION BETWEEN GENERATION Y AND Z IN INDIA

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ABSTRACT

The future of money will be mobile as we move toward a cashless society. Mobile payments are already beginning to replace cash payments in India. Although Tier 1 and Tier 2 cities have seen a strong uptake of mobile payments,

The tier 1-2 cities have seen a rise in mobile payments, while rural regions are still trailing behind.

Rapid advancements in financial technology during the last two decades have significantly altered people's lifestyles, including corporate operations. Mobile payment has become a new way to conduct non-cash financial transactions effectively and efficiently as a consequence of the widespread usage of the internet, which has enabled new business models to join the market.

The variables influencing Generations Y and Z's acceptance of mobile payments as a method of payment have been examined in this research. To gather the information, 100 postgraduate students between the ages of 23 and 25 responded to a questionnaire. A key market segment for the success of mobile payments is the younger generations.

Yet, there is contradictory empirical data as to what spurs or inhibits the adoption of mobile payments by the younger generation.

Keywords: adoption, Y Generation, Z Generation, mobile payments

1. INTRODUCTION

Money may be sent from one party to another using a mobile device, such as a smartphone or tablet. Mobile payments are not limited to only making purchases; they can also be used to transfer money to loved ones.

Technology recently implemented into several banks' banking applications has resulted in instantaneous money transfer from bank accounts to friends and relatives. Customers may also use their smartphones to make purchases in-store by scanning barcodes using a special software. This strategy is widely accepted by enterprises of all sizes, from mom-and-pop shops to multinational conglomerates.

It is possible to pay for purchases using a credit card, debit card, or a prepaid amount on an account associated with the store. This method of payment is safer than using a debit or credit card since the transaction details are encrypted in transit.

The United States and Canada lagged behind Asia and Europe in adopting mobile payments at first, but the practice has now expanded around the world. The first mobile payments were transmitted by text message. After then, technology advanced to the point where you can now photograph checks with a smartphone camera and email them to the intended payee. In the end, this system was superseded by the capability to deposit checks remotely via a mobile banking app.

The proliferation of smartphones and online shopping has stimulated expansion of the global mobile payment business. At a CAGR (compound annual growth rate) of 12% from 2020 to 2023, the value of mobile payments is expected to reach \$4,769.9 billion in 2020. More businesses are getting into the mobile payment industry as a result of the rise of online shopping, which uses mobile payment services. Among these expanding trends, the importance of mobile payment is readily apparent.

Recently, the government of Taiwan has made concerted efforts to increase the use of mobile payment systems. Many procedures were put into place to improve environmental base conditions.

2. LITERATURE REVIEW

The term "mobile payment" encompasses a wide range of methods through which consumers may pay for products and services using their mobile devices, such as cellular phones, PDAs, radio frequency devices, and near-field communication-based devices (Alkhowaiter, 2020; Chen & Nath, 2008). This entails the linking of payment processing infrastructure to mobile devices, allowing customers to start, verify, and finish financial transactions from any location (Srivastava et al., 2010).

Using the internet and mobile devices has opened up new retail channels, increasing the need for cutting-edge payment methods that facilitate quick and simple purchases. Using a mobile device to conduct a financial transaction through wireless transmission or mobile internet is referred to as "mobile payments" (Lu et al., 2011).

Money is transferred between the buyer and seller in a mobile payment transaction by means of the mobile devices of both parties. Internet, the gadget, and the service providers all work together to make these deals possible. Mobile payments may be used for a variety of financial operations, including sending and receiving money, making purchases, and paying bills (Sambhy, 2014).

The variables that impact Generation Y and Z's adoption of mobile payments have been studied using a variety of models.

Building a Model of Behaviour Intentions: Behavioural intention (BI) is a scale that quantifies a consumer's propensity to engage with a given product, service, or technology (Davis, 1989). Many studies have been undertaken to ascertain the most important factors influencing people's adoption of new technology.

This research demonstrates that behavioural intention to embrace mobile payment services is highly influenced by Generation Z's performance expectation, social influences, facilitating conditions, perceived enjoyment, and trust. To better manage the Z-target Generation's market, marketers could take use of mobile payment systems. Services for making payments through a mobile device are more convenient and useful than those offered by traditional payment processors.

Whether or whether they have a bank account, consumers now have greater access to the convenience of mobile payments for online purchasing. Promoting the convenience and

trustworthiness of mobile payment systems, such as the ability to make purchases quickly and securely from anywhere and at any time, is a win-win. The use of mobile payments may be boosted by the aforementioned services. It's also important to have the backing of the available resources and infrastructure. Mobile payment services will see increased adoption from customers if businesses provide enabling infrastructure, such as high-speed internet access through 3G and 4G networks and several payment processing alternatives for mobile purchases. Support infrastructures for mobile payment services need to be developed and enhanced by service providers.

3. BACKGROUND OF THE STUDY

Fast and easy

It's true that today's world moves at a dizzying rate. Online payments and UPI transactions are much quicker than alternatives like bank transfers and cash payments. Baby boomers and millennials may be used to visiting a bank branch to complete a transfer, but members of the next Generation Z prefer the convenience of doing the same thing from the comfort of their own homes in a matter of seconds.

The backing of the RBI's regulators

Among the many factors shaping the way millennials make purchases, the Reserve Bank of India's (RBI) advocacy for a cashless economy stands out. The Reserve Bank of India (RBI) published the "Payment and Settlement Systems in India" and the "Payments Vision 2025" in 2019 to promote the growth of the country's mobile payments ecosystem and the adoption of a cashless economy. This regulatory backing is a step in the right direction.

Punishments and rewards that take effect right away

In today's world, new payment systems and Fintech's are quite liberal with cashbacks and other forms of incentive. Younger generations like Gen Z and millennials like mobile or online payment methods since they are more likely to get incentives like rebates, points, cash back, and coupons.

Precautions should always be taken.

The security of monetary dealings and administration is of paramount importance. The potential for financial loss due to fraud or mismanagement is much reduced when monetary transactions are conducted mobility. In addition, monetary transactions may be traced in near-real time, and records of such are often kept. Tokenization, also known as card on file tokenization, is the newest invention in the field of financial technology.

Tokenization adds a new level of security to mobile or online payments, making them safer than ever before. Instead of processing the actual credit card number, a "token" is used in this new system. In addition to helping keep card information secure, this also helps prevent sensitive data from being misused in fraudulent purchases.

Simply said, it's simple, cheap, and breaks down barriers between locations.

Generation Z no longer needs to enter a PIN when making purchases since modern payment systems allow them to just "tap" and go. It's easy to see why people prefer making purchases and sending money on the internet. Many individuals would agree that exchanging cash is a hassle; however, modern innovations like mobile wallets and internet payments have made this procedure much simpler. The greatest thing is that most modern financial service providers are reasonably priced, so customers may enjoy all these advantages without breaking the bank.

4. RESEARCH METHODOLOGY

METHODS FOR DATA COLLECTION & VARIABLES OF THE STUDY

Methods for data collection

Primary Data

Secondary Data

Primary Data

Primary source of data was collected by questionnaire.

Secondary Data

Secondary source of data was collected from

Books

Journals

Magazines

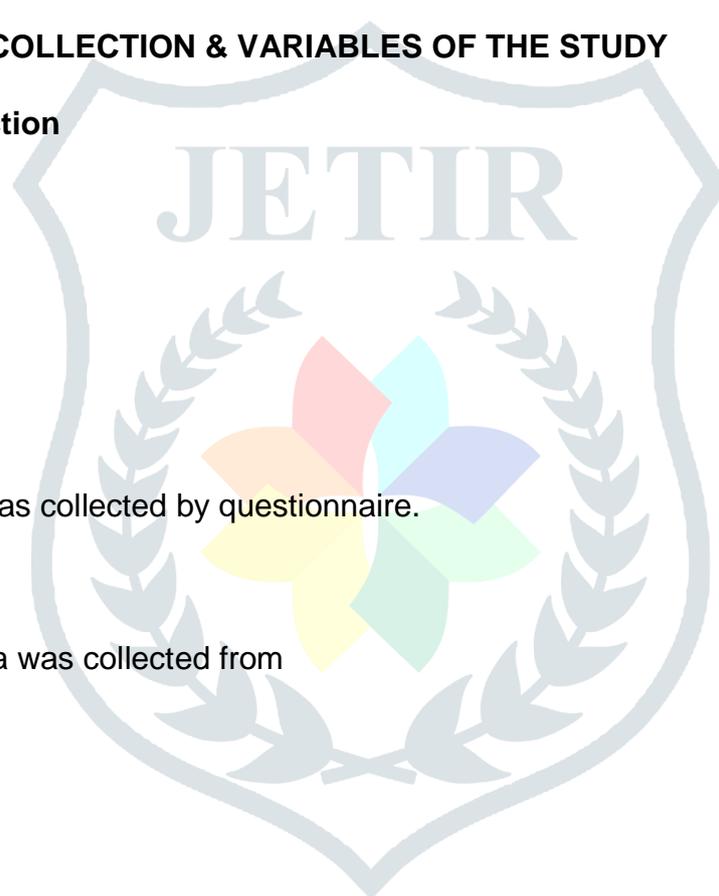
Web's big data es

Sampling

The sample technique utilized for data gathering is convenient sampling. The convenience sampling method is a non-probability strategy.

Sampling size

Big data indicates the numbers of people to be surveyed. Though large samples give more reliable results than small samples but due to constraint of time and money,



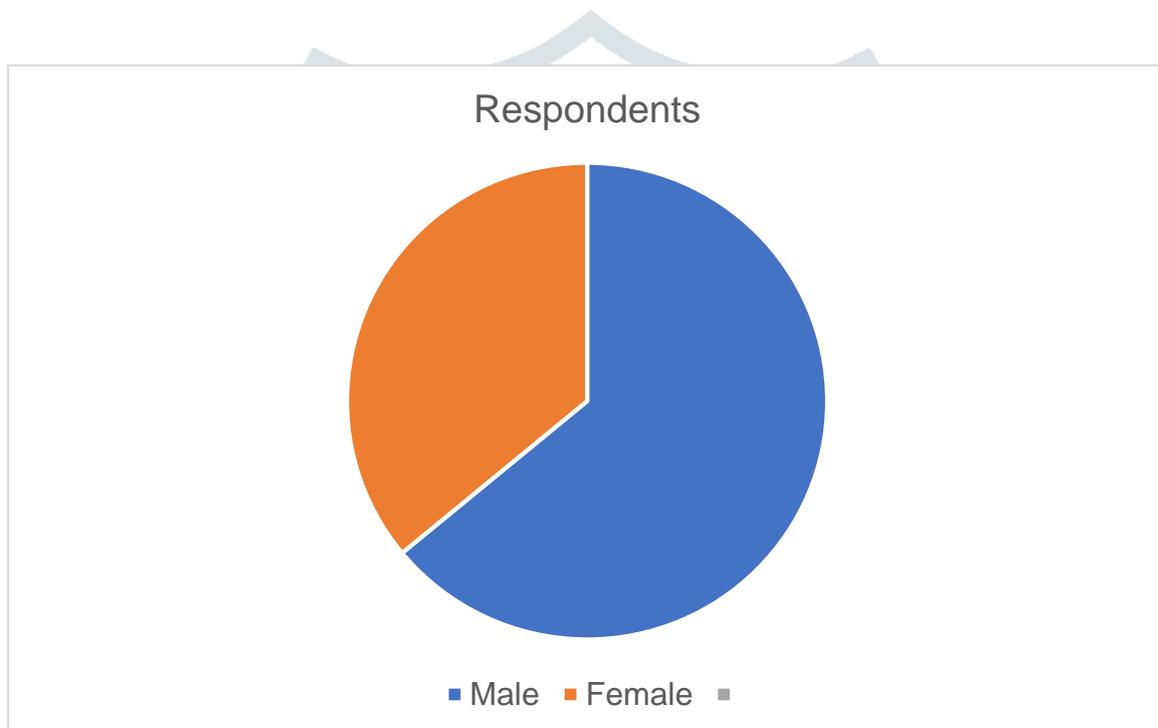
Plan of analysis

Diagrammatic representation through graphs and charts Big data able inferences will be made after applying necessary statistical tools. Findings & suggestions will be given to make the study more useful.

5. DATA ANALYSIS

1. Gender

Category	Respondents	Percentage
Male	64	64%
Female	36	36%

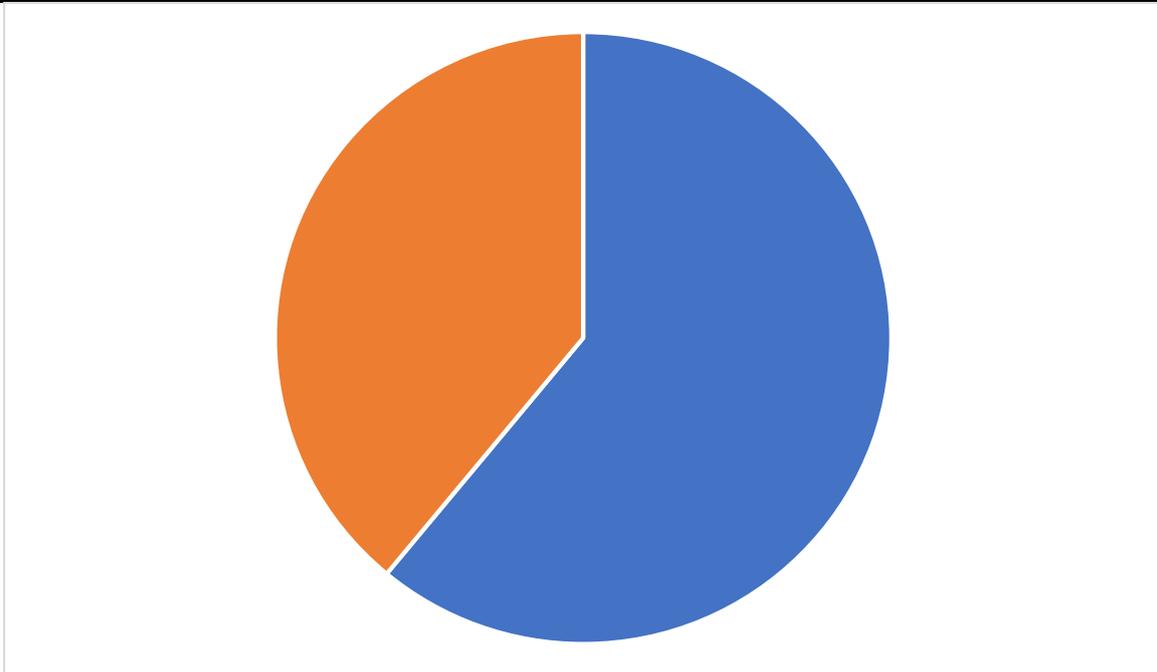


Interpretation:

Statistics reveal that although there are more males than women in the sample (64%), there are still more men than women (36%). The ratio of male to female customers seems about right to me.

2. Do you know about mobile payments?

Criteria	Frequency	Percentage
Fully aware	61	61
Unaware	39	39



Interpretation

As per this graph, 61% of the respondents you know about mobile payments, 39% of the respondents have unaware to this statement.

6. CONCLUSION

The payment mechanism, in its simplest form, is the way by which a mutually agreed-upon exchange of value is carried out. This study seeks to answer whether or not the means of transfer affects how recipients see the transferred item or service. Because of the material nature of the payment method, it is crucial that the sender and the receiver be able to see the transaction independently of one another.

Past experiences, even pleasant ones, might have an impact on how we now feel.

How you're supposed to be feeling also changes with the kind of competition. With mobile payments, the transaction and settlement procedure may be completed in seconds, which is far faster than with conventional mobile payment methods like cards. Mobile payment systems are more reliable than their analogy counterparts because they operate on a more robust and secure foundation with more built-in safeguards. Incorporating cutting-edge innovation into the present financial system is a top priority, and introducing biometric identification for use with mobile payments would be a big step in that direction. Mobile payment use in India might help bring previously underserved people into the online marketplace.

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