

# A COMPARATIVE STUDY ON PERCEPTION OF CONSUMERS TOWARDS E-WALLETS

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## ABSTRACT

Mobile users now days use their smart phones to make money transfers or purchases via apps installed on the device. In addition to mobile payments, users tend to save receipts, vouchers, business cards, bills etc. in their devices as well. It is labeled as "Digital Wallet" or "Mobile Wallet" because smart phones are going to act like leather wallets. Advancement of technology opens up the new market for the suppliers. But it is important to understand consumer adoption patterns to market new products or brands. Therefore, the present study was conducted to know about the perception of consumers towards E-wallets. The sample size of the present study consisted of 250 respondents which were selected using convenience sampling technique. Further the data was collected using questionnaire which comprised of multiple choice questions based on the awareness towards the adoption of e-wallets.

**Keywords:** E-wallets, Consumer perception, User, Brand, Product.

## 1. INTRODUCTION

Smartphone has become an integral part of daily life in today's world. The number of smart phone users has increased dramatically as it has become more available. The number of mobile users in 2012 reached 1 billion and was expected to reach 1.75 billion in 2014. In addition to the development of smart phones, a vast number of services have been developed to leverage the available smart phone functions. Together with the development of devices, other services have also been created to make complete use of smart phone functions. So mobile users can now use their smart phones to make money transfers or purchases via apps installed on the device. In addition to mobile payments, users can save receipts, vouchers, business cards, bills etc. in their devices as well. It's labeled as "Digital Wallet" or "Mobile Wallet" because smart phones are going to act like leather wallets. Consumer adoption is an individual decision to become a product's regular user whether it is good, services, and idea. Consumer adoption patterns are important in understanding how to market new products or brands. Five stages of the adoption process for consumers- Brand Awareness, Brand Interest, Brand Evaluation, Brand Trial and Brand Adoption

The improvement of innovation and mechanical progression as made cell phone to turn into basic piece of day by day life of an individual. Cell phones are utilized as a wellspring of specialized gadget, mingled device, stimulation, web and even installment device. Portable wallet with the help of versatile innovation has enabled

the proprietors of cell phone to do numerous monetary exchange also, distinguishing proof executes. For clients are hauled by the shopping offices that is given by portable wallet and clients are pulled in on account of comfort and quick exchange .if there should arise an occurrence of organizations, the organizations goes for giving office of exchange administrations and installment decision to their customers and the numerous installment blend office giving by the organization are joined to versatile wallet benefit. Types of e-wallets used by the people are Paytm, Mobikwik, PayUMoney, Icici pockets, Citi master pass, State bank buddy, and Hdfchillr.

The recent Indian government's fearless decision to demonetize all of the rupees 500 and 1000's old currency notes has been a burning factor across the country. Now, for a few days, people don't have to wait for their chances in the banks, Prime Minister Narendra Modi took this step. As the government is slowly releasing the new notes, it may take at least six months to get back on track. Because of these crises, Seventy percent of people's spending capacity has been reduced, and basics such as medicine, food and vegetables are almost hard to pay for. Now the new Indian scenario has made the digital payment system think to Indians. Mostly the recent scenario or helped digital e-wallet like paytm, mobikwik etc make the impact more than they normally do on the Indian market. The best way to get rid of these current cries is to make payments through this e-wallet.

## 2. LITERATURE REVIEW

Rajanna (2018) examined the perception and consciousness of users towards digital payments in Chikmagalur region of Karnataka. The study revealed that computerized education, basic knowledge, mindfulness and rate of support of the users in digital payments were found to have significant association with digital payments. The target of the examination was to discover the reaction towards digital economy.

Pandy (2017) discussed that U.S. versatile installments condition is growing, generally determined by the advancement of portable and computerized wallets. It is hard to keep pace with the steady change and development in this market. Numerous examinations have investigated buyer versatile wallet mindfulness, dispositions, practices, and selection, yet few have built up a typology of the models. For this study, a versatile wallet was characterized as "a computerized holder gotten to by a cell phone (i.e., cell phone) that stores wallet applications, installment certifications, dependability cards, and coupons, and was utilized to make closeness and remote portable installments.

Painuly and Rathi (2016) explored that electronic wallets have broke down the simplicity of exchange, anchored profile and comfort in taking care of use advanced the advantages of wallet cash and furthermore presumed that business parts like managing an account, retail, neighborliness and so on., are profiting and portable installment instruments including contactless and remote installment in the clients – business and clients to clients regions.

Shukla (2016) has examined about versatile wallet, working, types and its points of interest and detriments. His investigation included view of purchasers and retailers about versatile wallets. He reasoned that versatile wallets

will be utilized to connect with the client by the advertisers and computerized organizations Irrespective of the market status of these portable wallets, advertisers should exploit the developing chances.

Kafsh (2015) made an examination on "Creating customer Adoption Model on portable wallet in Canada", by taking an example of 530 respondents through comfort testing. Halfway Least Square model was utilized to break down the information. The focal point of the investigation was to distinguish the elements that impact the buyer's selection of portable wallets. This investigation was in light of innovation acknowledgment display (TAM) and advancement dispersion hypothesis (IDT). According to the investigation made by them, there is relationship among seen use, seen usability & perceived security in anticipating the reception of portable wallet.

Sharma, Vandanalama and Goyal (2015) discussed that Indias' intention was to manufacture participative straightforward and responsive framework and give all administrations to individuals to electronically and advance advanced learning.

Patil (2014) demonstrated their inclination over the utilization of plastic cash for the most part over some undefined time frame in the managing an account procedure. Different sorts of plastic cards given by banks in India are ATM cards, shrewd cards and so on.

Adashetty and Kishore (2013) conducted an empirical Study on purchaser reception of portable installments in Bangalore city. People begun composing letters previously and now people utilizing email, SMS and MMS choices to impart where the message is passed on to the end inside a small amount of second rather than 3-4 days previously. Advancement has been a reality in a great many steps yet it didn't occur without any forethought. At whatever point another development was discharged for open utilization, it was aimlessly hailed and devoured as they were worn out on more seasoned choices. Sadly reprobates all around the globe have refreshed their abilities to have fits at the framework as it shows signs of improvement for eg: bank fakes, finance exchange fakes, securities exchange hacking and so forth. As these prominent assaults have occurred and wide exposure has been given to these occurrences, individuals have developed greatly preservationist to defend their interests, assets and so forth.

Rai, Ashok, Chakraborty , Arolker and Gajera (2012) made an examination on "M-wallet: A SMS based installment framework" This paper portrays about supplanting the present installment arrangements like Mastercard, platinum card sand money with a basic short Messaging administrations (SMS) in view of arrangement that would take a shot at all cell phones independent of the system bearer and the producer. Exchanges can likewise occur between buyers that have bought in to the administration and traders independent of their membership. The investigation reasons that it is more secure, quicker and arrange autonomous method of installment.

Pousttchi and Wiedemann (2008) contemplated the selection of versatile installments and assessed what key impacts influenced customers to utilize portable installments and discovered that abstract security was not an essential driver of versatile installment acknowledgment. They discovered that apparent secrecy of installment subtle elements and seen dependability were unequivocally connected. Four key factors were found to

straightforwardly affecting purchaser aim and utilization conduct: execution hope, exertion anticipation, social impact, and encouraging condition.

### 3. RESEARCH METHODOLOGY

The present study was primary in nature. The sample size of the study consisted of 250 respondents. The sample was selected using convenience sampling technique. Further the data was collected using questionnaire which comprised of multiple choice questions based on the awareness towards the adoption of e-wallets. Questionnaire was divided into following three categories-

- **Part A** included the questions related to demographic profile such as name, age, gender, education, and occupation. This part also includes the introductory questions related to social advertisements and the frequency of people watching these advertisements.
- **Part B** included the questions related to factors affecting awareness toward the adoption of e-wallets. Under the awareness construct the broader concepts of awareness is studied. Further the construct have different statements which were asked Five point Likert scale.
- **Part C** included the questions related to various dimensions of perception and the broader aspects of perception which further include statements asked on five points Likert scale.

Further, the questionnaire was distributed to 20-25 respondents for pilot testing. The suggestions were given by the respondents and those suggestions were implemented in the questionnaire. The reliability of the questionnaire was checked by Cronbach's Alpha that has given value more than 0.7 which

#### 3.1 Objectives of the Study

- To identify the factors affecting consumers' perception towards e-wallets.
- To examine the effect of factors on consumers' perception.
- To compare the extent of use of E-wallets by Male and Female.

#### 3.2. Hypotheses of the Study

H<sub>0</sub>1: There is no significant effect of various factors on consumer perception

H<sub>0</sub>2: There is no difference in the level of use of e-wallets by male and female.

## 4. Data analysis and Interpretation

The objective of the study is to know about the perception of the consumers about e-wallets. For the same purpose study used factor analysis and Independent sample T-test for analysis purpose. Following is the analysis of the data collected.

### 4.1. Extraction of Factors using Exploratory Factor Analysis

In order to identify the factors affecting consumer perception toward e-wallets, the study used Exploratory Factor Analysis (EFA) technique. Before applying EFA, the questionnaire was evaluated for reliability statistics using Cronbach's alpha which is 0.83. This was performed to know if the items that propose to measure the same general construct produce similar scores.

#### 4.1.1. Factor Extraction and Total Variance Explained

In table 4.1, Eigen values before extraction, after extraction and after rotation which are associated with linear component are shown below:

**Table 4.1: Total Variance explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	5.977	29.886	29.886	5.977	29.886	29.886	5.952
2	3.155	15.775	45.661	3.155	15.775	45.661	3.108
3	2.694	13.471	59.133	2.694	13.471	59.133	2.818
4	2.279	11.394	70.526	2.279	11.394	70.526	2.357

Source: Computed

The eigen values associated with each factor represents the variance explained by that particular linear component and SPSS displays the Eigen value in terms of the percentage of variance explained. SPSS extracts all factors with Eigen values greater than 1 which led us to four factors. The Eigen values of the factors after rotation are displayed in the final part of the table (labeled as-Rotation Sums of Squared Loadings). Rotation has the effect of maximizing the variable structure and the equalization of the relative importance of the three factors is one implication for these results. Due to substitution, variable 1 was significantly higher than the remaining four (29.886% compared to 15.775 and 13.471% and 11.354), however after extraction it accounts for only 5.952% of variance (compared to 3.108%, 28.18% and 23.57% for factor 2, 3 and 4 respectively).

### 4.1.2. Pattern Matrix

Following table represents the factor loadings of the statements extracted.

**Table 4.2: Pattern Matrix**

	Component			
	1	2	3	4
EOU1	0.852			
EOU2	0.869			
EOU3	0.864			
EOU4	0.863			
EOU5	0.85			
EOU6	0.858			
EOU7	0.862			
EOU8	0.859			
SEC1		0.879		
SEC2		0.855		
SEC3		0.885		
SEC4		0.884		
FC1				0.847
FC2				0.878
FC3				0.885
ATT1			0.753	
ATT2			0.747	
ATT3			0.765	
ATT4			0.742	
ATT5			0.702	

Source: Computed

Statements with high factor loadings on factor one corresponded to respondents expecting ease of use while using E-wallets. The factor hence was named as Ease of use. Statements with high factor loadings on factor two corresponded to respondents ascertaining the security and hence risk associated with use of E-wallets. Factor 2 was therefore named as Security. Statements with high factor loadings on factor three corresponded to respondents' general attitude towards use of E-wallets. This factor hence was named as Attitude. Statements with high factor loadings on factor four corresponded to respondents considering cost of using E-wallets. This factor hence was named as financial cost. These factors have been shown below in a pattern matrix.

### 4.2. Comparison of Extent of E-wallet usage by Male and Female

The study has used t-test to know about the how many male and female are using E-wallet. With the help of T – Test the study calculated the overall mean of the male and female. The overall mean of E-wallet use by male and female are 4.2117 and 4.2160 (See table 4.3).

**Table 4.3: Results of T-Test**

Group Statistics				
Gender	N	Mean	Std. Deviation	Std. Error Mean
Overall_Mean Male	137	4.2117	.58700	.05015
Female	162	4.2160	.57612	.04526

## Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Overall	Equal variances assumed	.034	.855	-.065	297	.948	-.00437	.06745	-.13711	.12837
	Equal variances not assumed			-.065	286.966	.948	-.00437	.06756	-.13734	.12860

Source: Computed

The study further used Levene's test to calculate the equality of variances. The above table showed the result of Levene's Test for Equal Variances assumed. It indicated that the test is not significant at 5% level of significance; hence the p-value of equal variances assumed is to be considered for analysis. The results also revealed that there is no considerable difference in the extent of E-wallet usage by male and female as p-value is more than 0.05 (p-value 0.948). From the overall analysis of t test, it can be implied that variance between male and female of adoption of E-wallet is equal. There is mis-conception that the males are more familiar with technology as compared to females. But the result of this study is against that mis-conception. Females now days are equally taking advantage of new technology.

## CONCLUSION

The basic purpose of the research is to know about the consumer adoption of e-wallet. Through this study, it was found consumers have a positive impact on e-wallet adoption. In order to achieve the objectives, exploratory factor analysis was used which curtailed a large set of item into small set of factor. Before applying exploratory factor analysis, the questionnaire was evaluated for reliability statistics. To identify the internal consistency of the items in the questionnaire reliability statistics were applied. After that it used KMO and Bartlett's test which measures the sampling adequacy that should be close than 0.5 for a satisfactory factor analysis to proceed. Further Bartlett test of sphericity significance value was 0.000 which concluded that correlation in the data was appropriate for EFA the second test we use is the T-test for the second objective of the survey was to analyze the difference male and female with respect to adoption of e-wallet through this T-Test. From the overall analysis of t test, it can be implied that variance between male and female of adoption of E-wallet is equal.

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