



# Exploring Reasons of Using M-wallets: An Empirical Study from Southern Rajasthan

**Dr Shilpa Kanthalia**

Assistant Professor

JRNRV University, Udaipur

**Ms. Sanchi Govil**

Research Scholar

JRNRV University, Udaipur

## *ABSTRACT*

India is witnessing digital movement in all phases of life. Banking is no exception to it. The evolution of m-wallets has brought revolutionary change to payment habits of a common man. Recently several wallets have come up with their attractive offers for their customers. Increasing adoption of m-wallets have lead to the need of research in this area. Present study aims to explore reasons for m-wallets are used by customers in their daily life. A convenient sample of 328 respondents was taken and they were offered with 13 most popular reasons they use m-wallets for. They were asked to rank these 13 reasons in the order of their preferences. Weighted sum of ranks and final submitted ranks were calculated from these data and results revealed that utility bills, mobile recharge and petrol/diesel were among the top most reasons the mobile wallets are used for.

## **Introduction**

India is on the cusp of a massive digital transformation. The Internet has become a part of everyone's life for the time being. E-commerce has exploded in India since the internet's inception. Previously, people used money to conduct their financial transactions. Later, the concept of plastic money, such as debit and credit cards, gained widespread. However, the move in the retail industry to the digital arena has given rise to the concept of a digital wallet, often known as an M-Wallet or a mobile wallet.

An M-Wallet is an electronic card that may be used to make online purchases using a computer or smartphone. It functions similarly to a credit or debit card. To make payments, the M-Wallet wallet must contact a specific bank account. A wallet is a form of prepaid account that allows users to save money for future online purchases. M-Wallet can be used to pay for food, internet purchases, and plane tickets, among other things. New, crippled, digital-enabled business models, such as those on Amazon, Google, Uber, and Airbnb, have an impact on the industry's growth, rate, and profit potential. The RBI's Master Circular on Pre-Paid Payment Instruments regulates the usage and release of digital wallets. Any merchant that accepts open wallets will accept them. Paytm, Free Charge, and MobiKwik, among the most popular M-Wallets in use, are all closed. These wallets are only accepted by well-known businesses. These M-Wallet firms are financial institutions. However, on the subject of security, the circuit mandates that wallets have adequate data security infrastructure and methods in place to prevent and identify fraud. The wallets are not required to adhere to any minimum safety standards as part of the rotation. They also disclaim all responsibility for any fraud or loss caused by a lack of security measures.

### Utility of M-Wallet

Mobile wallets are becoming increasingly popular in India. People also have a strong habit of using mobile wallets on a daily basis. However, India would still have a long way to go before reaching the Cashless India goal. Many mobile apps, such as PayTM, Mobikwik, PayPal, PhonePe, and Google Pay, are now built to allow the most efficient transactions. Several new online games, such as LOCO and MPL, have recently been released, allowing us to win money just playing the game. The money can then be sent to our mobile wallet. However, 2022 will be a significant year for India as more new technologies are introduced to entice people with intriguing refund services. Various mobile app development companies are working on applications for mobile wallets that are in high demand. Apart from mobile wallets, a variety of other apps and technologies will be discussed in 2022, but mobile wallets will continue to be popular in India.

### Relevance of the Study

Now that the buyer requires 24-hour banking support at his home, he is boarding a plane. Due to the large technology of the chain, the complete financial system has been revolutionised in this most recent development of the age. Digital banking now applies to all trading firms, including trading, trading, importing, exporting, selling, and selling items. Banking services are speedier and more cost-effective as a result of electronic science, and responders save time. Because the traditional historical blessing is not totally in step with the evolving international economy, any country wishing to operate in the global market would have to work to offer banks on a worldwide scale.

A vast number of commercial banks have contributed to the wallet. At the moment, each bank wants to entice respondents, so they must pay for modern services. It appears that no other bank will survive this slow competition if it does not provide renewable resources. Hence it becomes imperative to explore reasons of using m-wallets.

## Review of Literature

Prior studies have focused on exploring perceptions of users of m-wallets. A summary of few of them have been presented below.

Alagappa, Acharya, Acharya and Alagappa (2022)<sup>1</sup> attempted to collect the data from the mobile wallet users and provides a clear understanding of the reasons for using mobile wallets. Secondly, the customer preferences towards Google Pay and PayTm are analyzed in detail with primary data collected from mobile wallet users to suggest a model for improving the business. This research was conducted to understand the customers' inclination towards the use of mobile wallets.

Shin and Lee (2021)<sup>2</sup> tried to identify the factors affecting user acceptance for NFC mobile wallets in both Korean and US markets. The proposed model extends the UTAUT2 model with new constructs of credibility (CR) and service smartness (SS). This study was analyzed using partial least square structural equation modeling on data collected from 701 college students between the ages of 18 and 29. The results of this study demonstrate that performance expectancy (PE), effort expectancy (EE), CR, SS and habit (HB) have strong positive relationships with a user's behavioral intention to use NFC mobile wallets. Comparing the results of the USA and South Korea, there are different results regarding PE and CR.

Le Na and Hien (2021)<sup>3</sup> created a research model and examined hypotheses about the factors that influence perceived value (personal innovativeness, perceived risk, perceived ease of use, and long-term orientation) as well as the outcomes (commitment and recommendation). The research model was built using the technological acceptance model (TAM), the diffusion of innovation theory (DOI), the theory of perceived risk (TPB), and the perceived value model (PERVAL). A Structural Equation Model (SEM) was used to test the hypotheses with a sample of 320 Vietnamese customers who use mobile wallets. Personal innovativeness, perceived risk, perceived simplicity of use, and long-term orientation are the elements that have a major impact on the perceived value of mobile wallet users, according to the research. Furthermore, the data suggest that user commitment and recommendation to use an m-wallet are positively influenced by perceived value.

Hittalmani and Rajopadhye (2021)<sup>4</sup> dealt with the conceptual framework of m-wallets. Data is collected from secondary sources related to m-wallets, types of mwallets, advantages and disadvantages of m-wallets. Advancement in technology, extensive accessibility of internet and manifestation of smartphones has resulted in notable change in the lives of humans. So as the M-wallets are becoming the conventional mode

of digital payment. M-wallets have made life more easy and convenient by storing all information and keeping a track of the payments.

George and Sunny (2020)<sup>5</sup> attempts to draw a comprehensive conceptualization of mobile wallet adoption and actual use by exploring the influence of various key factors. This proposed model could successfully present the case of mobile wallet adoption and usage, as well as offer the possibility of deriving important managerial implications concerning effective marketing techniques.

Kaur, Dhir, Bodhi, Singh and Almotairi (2020)<sup>6</sup> conducted a big cross-sectional survey of 1256 smartphone users based on diffusion of innovation theory and addressed the absence of specific findings on use and recommendation intents in the context of m-wallets (DOI). Participants' intents toward m-wallets were substantially connected with relative benefit, compatibility, complexity, and observability, according to the findings. trialability, on the other hand, had no bearing on participants' intents to use and suggest m-wallets to others.

Pai (2018)<sup>7</sup> attempted to evaluate the consumer perception towards e- Payment System and Digital Wallets. The questionnaire was used as research tool to collect the primary data from the respondents chosen for the study. The collected data through the questionnaire were then analysed to reach the research objectives. As per the findings of the study, digital-wallet is getting popularity among the young lots such as students and employees. The study witnessed that paytm is leading among the other wallet providers. When a user is making an online payment via digital-wallets, the respondents are affected by various assorted factors.

Praiseye and John (2018)<sup>8</sup> carried out a study 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 analyzed.

With the help of mobile wallets, Kotecha (2018)<sup>9</sup> investigated the paradigm shift in the Indian banking sector. The definition of M-Wallet is simply a technique for storing money in digital form online. It simply eliminates the necessity for us to carry physical cash or credit cards in our wallets. Mobile wallets are digitised analogues of traditional wallets that people carry about in their pockets. While there are numerous varieties, they often store digital information such as credit and debit card information for making payments, store discounts and loyalty programmes, personal identity information, and more.

Singh, Srivastava and Sinha (2017)<sup>10</sup> put a conceptual model of consumer intention and happiness with mobile wallets to the test. To test customers' behaviour in the context of mobile banking technology, this study employs the integrated UTAUT model, which contains variables such as ease of use, trust, security, self-efficacy, and an additional component (hedonism). To evaluate the association between numerous characteristics such as perceptions, preferences, satisfaction, and mobile wallet usage rate in north India,

regression analysis, ANOVA, and descriptive analysis are employed. To better evaluate consumer acceptance of mobile wallets, a sample of 204 north Indian consumers was taken. The findings of this study reveal a strong link between mobile wallet users' perceptions, preferences, and satisfaction. The impact of customer perception, satisfaction, and preference on the usage rate of mobile wallets in India is also shown in the results.

### **Objective of the Study**

The major objective of this study is to identify reasons of using m-wallets and finding out the most popular reason.

### **Data Collection and Sample**

Area of the study is limited to selected cities of southern Rajasthan. As southern Rajasthan has majority of tribal population, exploring adoption of m-wallets and challenges in adoption of m-wallets would be interesting. Data were collected over the period from 2019-2021. The universe of the study is all users of m-wallets in southern Rajasthan. Using convenient method of sampling, a purposive sample of 328 respondents was taken as sample of users of m-wallets. In total 870 questionnaires were distributed. But due to incompleteness and non-response, final sample reduced to 328 respondents. This sample was from Udaipur, Chittorgarh, Banswara, Dungarpur, Pratapgarh and Sirohi. These respondents were contacted through structured questionnaire.

The study uses primary data which were collected from respondents using m-wallets. For the purpose of collection of data a structured questionnaire was designed.

In order to achieve above objectives a structured questionnaire was designed. The first section contained some demographic questions like age, gender, educational qualification, occupation and monthly income. The section also contains some interest building question like what is the frequency of use of m-wallets.

The second section of the questionnaire was related with the reasons they use m-wallets the most for. They were offered with 13 reasons and were asked to rank them on a scale of 10 from highly preferred to least preferred. Since this part contained questions based on ranking which makes the data ordinal and hence were analyzed using frequency and percentage. Weighted total ranks and final summated ranks were also calculated to find the ranks among the reasons for which m-wallets are used by respondents.

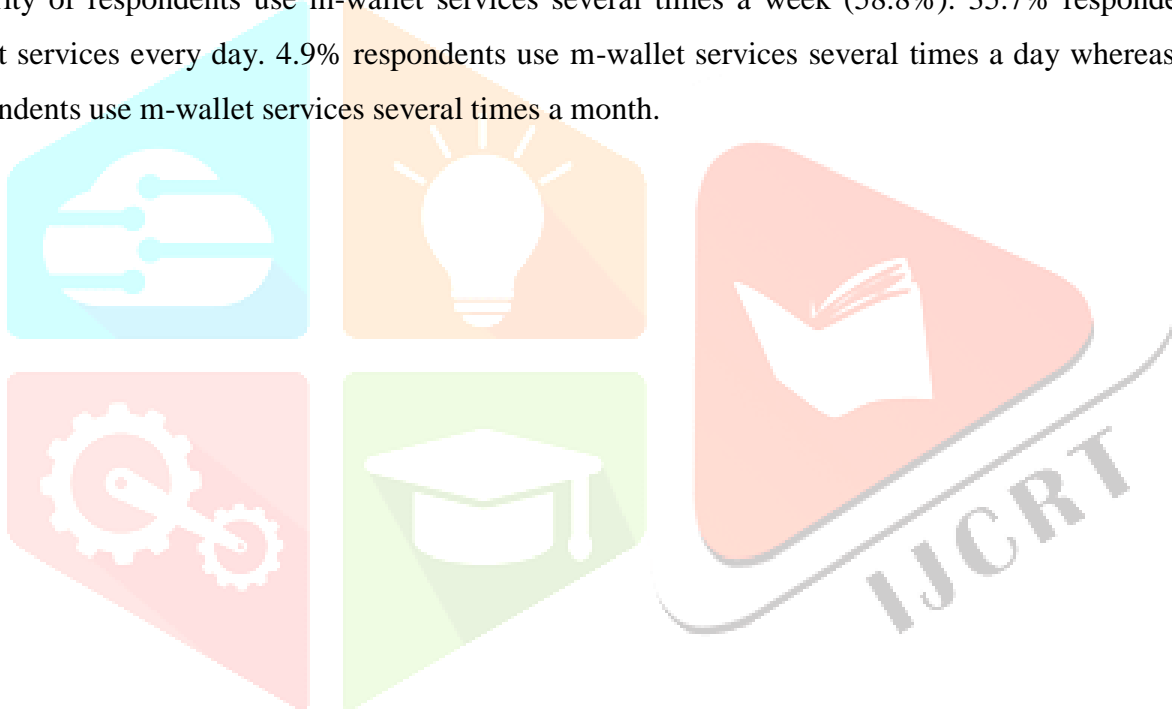
## Data Analysis

Table 1 presents the demographic profile of respondents.

**Table 1: Demographic Profile of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	214	65.2
Female	114	34.8
<b>Age Group</b>	<b>Frequency</b>	<b>Percent</b>
15-25 Years	67	20.4
25-40 Years	107	32.6
40-60 Years	91	27.7
Above 60 Years	63	19.2
<b>Qualification</b>	<b>Frequency</b>	<b>Percent</b>
Up to 10th	71	7.62
Graduation	115	22.60
Post Graduation	99	21.60
Professional	25	7.62
Others	18	5.49
<b>Occupation</b>	<b>Frequency</b>	<b>Percent</b>
Govt. Employee	83	25.3
Private Employee	148	45.1
Self Employed	39	11.9
House Wife	9	2.7
Student	43	13.1
Unemployed	6	1.8
<b>Monthly Income</b>	<b>Frequency</b>	<b>Percent</b>
Less Than ₹ 10,000	64	19.5
₹ 10,000 - ₹ 25,000	92	28.0
₹ 25,000 - ₹ 50,000	94	28.7
₹ 50,000 - ₹ 100,000	56	17.1
Above ₹ 100,000	22	6.7
<b>Freq. of use of m-wallet</b>	<b>Frequency</b>	<b>Percent</b>
Every day	117	35.7
Several Times a Day	16	4.9
Several Times a Week	193	58.8
Several Times a Month	2	0.6

In total there are 328 respondents and out of that 65.2% are male and 34.8% are female respondents. Majority of respondents are from 25-40 years age group (32.6%) followed by 40-60 years age group (27.7%). 20% respondents were from 15-25 years age group and only 19% respondents were from above 60 year age group. It is found that majority of respondents are graduates (35%) followed by post graduates (30%). 22% respondents have studied up to 10<sup>th</sup> standard. Only 8% and 5% respondents have done professional and other studies respectively. It is found that majority of respondents are private employees (45.1%). Government employees are 25.3% where as self employed are 11.9%. Students are 13.1% whereas proportion of housewives and unemployed respondents are 2.7% and 1.8% respectively. It is revealed that majority of respondents have income between ₹25,000 to ₹50,000 (28.7%) and between ₹10,000 to ₹25,000 28%. 19.5% respondents have income less than ₹10,000 whereas 17.1% respondents have income between ₹ 50,000 to ₹ 100,000. Only 6.7% respondents have monthly income above ₹100,000. It is found that majority of respondents use m-wallet services several times a week (58.8%). 35.7% respondents use m-wallet services every day. 4.9% respondents use m-wallet services several times a day whereas only 0.6% respondents use m-wallet services several times a month.



**Table 2: Rank Distribution of Reasons for using M-Wallets**

Reasons	Ranks												
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Utility Bills</b>	34.15	25.91	19.21	9.15	4.57	2.74	1.22	1.52	0.91	0.61	0.00	0.00	0.00
<b>Fund transfer</b>	3.05	8.23	8.54	7.93	7.01	10.37	6.71	8.54	8.23	7.62	10.98	6.71	6.10
<b>Mobile Recharge</b>	36.28	23.48	16.46	8.54	5.49	4.57	3.05	1.22	0.91	0.00	0.00	0.00	0.00
<b>Gifts</b>	0.00	0.00	0.30	0.30	0.91	0.61	2.13	6.40	5.49	10.06	16.46	23.78	33.54
<b>Online Purchases</b>	7.93	8.54	10.37	12.20	9.15	6.10	8.84	7.32	8.23	7.01	7.01	6.40	0.91
<b>In-store Purchases</b>	8.54	10.67	12.80	12.50	9.76	7.93	7.01	8.23	7.62	8.23	3.96	2.13	0.61
<b>Petrol/Diesel</b>	6.71	13.11	9.76	13.72	15.85	9.15	9.45	6.10	5.79	4.27	5.49	0.61	0.00
<b>Donations</b>	0.00	0.00	0.00	1.83	4.27	7.32	6.40	10.06	8.54	7.01	10.37	17.07	27.13
<b>Ticket Booking</b>	3.35	7.01	8.54	11.59	12.50	7.62	8.54	10.37	8.84	8.23	7.32	5.79	0.30
<b>Restaurant/Hotel Bill</b>	0.00	3.05	8.84	6.71	9.45	14.94	7.62	6.10	7.93	8.54	7.32	9.76	9.76
<b>Rent</b>	0.00	0.00	2.44	5.18	5.18	11.28	13.11	15.55	19.21	7.32	8.84	6.40	5.49
<b>Loan Repayment</b>	0.00	0.00	0.00	2.74	4.57	8.54	17.68	8.84	9.45	17.38	10.37	12.50	7.93
<b>Fast Tag</b>	0.00	0.00	2.74	7.62	11.28	8.84	8.23	9.76	8.84	13.72	11.89	8.84	8.23
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



Then respondents were asked about the reasons they use m-wallets the most for. They were offered with 13 reasons and were asked to rank them on a scale of 13 from highly preferred to least preferred. After getting the ranks, these ranks were counted like how many gave first rank to a particular reason, how many gave second rank and so on. These frequencies were then converted into percentage and have been presented in Table 2.

Table 2 reveals that 36.28% respondents have given first rank to Mobile Recharge and 34.15% respondents have given first rank to Utility Bills. Hence these two reasons were emerged as the most popular reasons for using m-wallets. 25.91% respondents have given Utility Bills as second rank whereas 23.48% respondents have given Mobile Recharge as second rank. 19.21% respondents have given Utility Bills as 3<sup>rd</sup> rank and 16.46% respondents have given Mobile Recharge as 3<sup>rd</sup> rank. Thus these two reasons have secured top three ranks among other reasons for using m-wallets. For the 4<sup>th</sup> rank highest number of respondents favour Petrol/Diesel followed by In Store Purchases and Online Purchases. Ticket Booking has also secured fourth rank by 11.6% respondents.

For the 5<sup>th</sup> rank respondents favoured the most Petrol/Diesel followed by Ticket Booking and Fast Tag. For the 6<sup>th</sup> rank respondents favoured the most Restaurant/Hotel Bill, Rent and Fund Transfer. For the 7<sup>th</sup> rank Rent and Loan Repayment secured top ranks. For the 8<sup>th</sup> rank maximum number of respondents favoured Rent, Ticket Booking and Donations. For the 9<sup>th</sup> rank respondents favoured Rent the most. For the 10<sup>th</sup> rank respondents favoured Loan Repayment, Fast Tag and Gifts. For the last three ranks respondents favoured the most Gifts, Donations, Loan Repayment and Fast Tag. It was also found that not a single respondent give first and second rank to Gifts, Donations, Rent, Loan Repayment and Fast Tag. Similarly not a single respondent gave last three ranks to Utility Bills and Mobile Recharge.

From these ranks weighted total ranks were calculated. For each reason, frequency for each rank was multiplied by some weights and some totalled. The weights were given like – rank 1 was given the weight of 13, rank 2 12, rank 3 11 and so on. From these weighted total ranks, final summated ranks were given like the highest value of weighted total rank would be given first rank and so on. Both of these data have been displayed in Table 2 and Figure 1.

Table 3: Summated Ranks for Reasons for using M-Wallets

Reasons	Weighted Total Ranks	Final Summated Rank
Utility Bills	3757	1
Fund transfer	2230	7
Mobile Recharge	3736	2
Gifts	889	13
Online Purchases	2566	5
In-store Purchases	2763	4
Petrol/Diesel	2858	3
Donations	1258	12
Ticket Booking	2440	6
Restaurant/Hotel Bill	2035	8
Rent	1872	9
Loan Repayment	1622	11
Fast Tag	1822	10

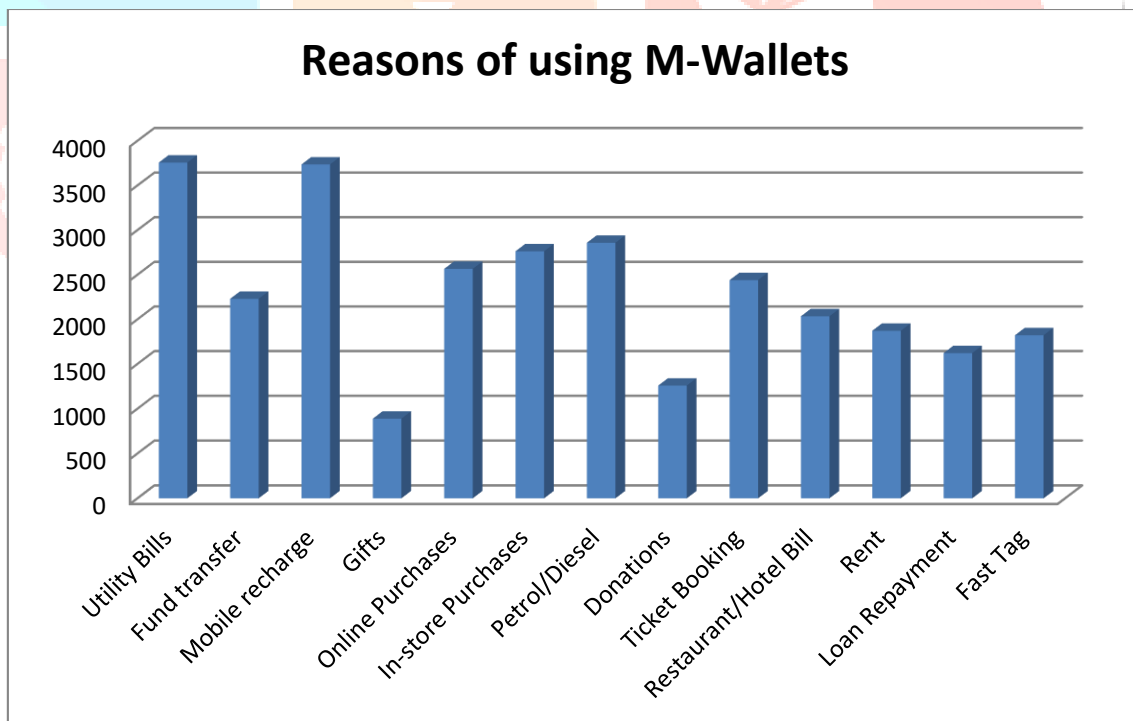


Figure 1: Reasons for Using M-Wallets

It is found from Table 3 and Figure 1 that have the first rank was secured by Utility Bills, second rank by Mobile Recharge, third rank by Petrol/Diesel, 4<sup>th</sup> rank by In-store Purchases, 5<sup>th</sup> rank Online Purchases, 6<sup>th</sup> rank Ticket Booking, 7<sup>th</sup> rank Fund Transfer, 8<sup>th</sup> rank Restaurant and Hotel Bill, 9<sup>th</sup> rank Rent, 10<sup>th</sup> rank Fast tag, 11<sup>th</sup> rank Loan Repayment, 12<sup>th</sup> rank Donations and 13<sup>th</sup> rank Gifts. Hence it can be concluded that Utility Bills, Mobile Recharge and Petrol/Diesel are among the top reasons respondents use m-wallets for.

## Conclusion

Present study aims to find out reasons of using m-wallets by users in southern Rajasthan. Data were collected from 328 respondents having varied demographic characteristics. They were asked to rank various reasons of using m-wallets in the order of their preferences. These ordinal data were then analysed using percentage of ranks, weighted ranks and final summated ranks. It was found that Utility Bills, Mobile Recharge and Petrol/Diesel are among the top reasons respondents use m-wallets for. In-store and online purchases, ticket booking and fund transfer were other most preferred uses of m-wallets. Digital movement of Indian government coupled with demonetization has led to increase in adoption of m-wallets. Hence the more the government encourages the adoption of digital payments, the more the m-wallets would be adopted. More and more marketing strategies should be formulated and referrals, cashback and discount offers should be designed in such a way to attract more customer base. M-wallet service providers should provide more products and add more payment options.

---

<sup>1</sup> Alagappa, V. G., Acharya, G. S., Acharya, S. M. & Alagappa, M. S. P. (2022). Customer inclination on mobile wallets with reference to Google-Pay and PayTM in Bangluru city. *International Journal of E-business Research*, 18 (1), 1-16.

<sup>2</sup> Shin, S. & Lee, W. (2021). Factors affecting user acceptance for NFC mobile wallets in the US and Korea. *Innovation & Management Review*, 18 (4), 417-433.

<sup>3</sup> Nguyen Tran Le Na & Nguyen Ngoc Hien | Len Tiu Wright (Reviewing editor) (2021) A study of user's m-wallet usage behavior: The role of long-term orientation and perceived value, *Cogent Business & Management*, 8:1.

<sup>4</sup> Hittalmani, V. & Rajopadhye, M. (2021). M-wallet: A conceptual framework. *MSIBM Interdisciplinary Journal of Management & Research*, 1, 38-45.

<sup>5</sup> George, A. & Sunny, P. (2021). Developing a research model for mobile wallet adoption and usage. *IIM Kozhikode Society & Management Review*, 10 (1), 82-98.

<sup>6</sup> Kaur, P., Dhir, A., Bodhi, R., Singh, T. and Almotairi, M. (2020). Why do people use and recommend m-wallets? *Journal of Retailing and Consumer Services*, 56, 2020.

- <sup>7</sup> Pai, A. H. (2018). Study on consumer perception towards digital wallets. *International Journal of Research and Analytical Review*, 5 (3), 385-391.
- <sup>8</sup> Praiseye, T. & John, F. (2018). A study on consumer preference towards mobile wallet. *International Journal of Research and Analytical Reviews*, 5 (3), 185-189.
- <sup>9</sup> Kotecha, P. S. (2018). An empirical study of mobile wallets in India. *Online Journal of Multidisciplinary Subjects*, 11 (4), 605-611.
- <sup>10</sup> Singh, N., Srivastatva, S. & Sinha, N. (2017). Consumer preference and satisfaction of m-wallets: A study on North Indian consumers. *International Journal of Bank Marketing*, 35 (6), 944-965.

