Customer's Perception Towards E-Wallet: An Empirical Study

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ABSTRACT

The present era is considered to be a period of the technology- revolution. Information technology is playing a crucial role in bringing this change worldwide. The technological change in this competitive scenario has instigated innovation in products and services. In this respect, the Indian economy has witnessed a prodigious change in its currency from the barter system to the digital payment system. This cash crunch persuaded people to embrace the idea of "My bank, My Money, My Wallet". E-wallet is one of the types of electronic payment systems being widely used these days. This study is centric to customers' perception towards digital wallet, also known as e-wallet with particular emphasis on the twin cities i.e. Hyderabad and Secunderabad. For data collection, structured questionnaires were prepared and distributed to the respondents. It is an empirical study that explains customer's perception towards e-wallet based on their gender, age, occupation, and educational qualification.

Keywords: Information technology, Digital Payment System, Customer's Perception, *E-Wallet*

I. INTRODUCTION

The Indian economy has witnessed tremendous change in last few decades, after the financial reform of 1991.These days the Indian market are more competent for corporate and has gained confidence of global financial institutions. India has secured 11th rank in Global Foreign Direct Investment Confidence Index, 2018. The up gradation in the Information Technology has changed the outlook of Indian markets. The Smartphone are recognised as necessity than luxury. The government is also taking initiatives to digitalise India and make Indian economy a cashless economy. Digital payments are payments that are done over mobile channels and the Internet. Here, the payer and the payee both use digital platforms for transactions. It is also referred as electronic payments or e-payments. Studies have highlighted that demonetisation has

triggered a tsunami of digital payments in the year 2016. There are different types of payment systems such as net banking, debit card, credit card, e-wallets, etc.

An e-wallet or a mobile wallet is a facility provided through an application wherein people can add certain sum of money in the digital wallet and can spend as per their need. It also allows the user to store multiple debit card, credit card and bank account details in single application.

II. LITERATURE REVIEW

Mridula M Menon, (2019) in their paper **"**Revolution of E-Wallets Usage among Indian Millennial" explored the adoption of the e wallet among Indian millennial with focus on (1) the adoption levels of e-wallets, (2) the usage patterns of e wallets, (3) the preference for e-wallets, and (4) the challenges in using e-wallets and discovered that the respondents have a great level of a positive attitude toward E-Wallets.

Dr. Tejas Dave (2019) in his paper "Consumer acquaintance and perception about mobile wallets in Indian Urban Consumer Markets" found that all the respondents gave highest importance to convenient part of mobile wallets.

Dr. Mamta Brahmbhatt (2018) in her paper "A Study on Customers' Perception towards E-Wallets in Ahmedabad City"made an attempt to understand how consumers evaluate E-wallets services in Ahmedabad city and concluded that respondents agree that E-wallet is attractive choice for payment over traditional method.

Dr. Shilpi Jauhari (2018) in her paper "Barriers in the adoption of Mobile Wallet in reference to Lucknow City " found that people are not sure about the safety and security of digital wallets.

Josephine Lourdes De Rose (2017) in his paper **"**A Study on Consumer Preference towards e-Payments" analysed various preference factors which affect consumers' purchase decision through online mode.

Aw Yoke Cheng (2013) in their paper "Risk Perception of the E-Payment Systems: A Young Adult Perspective" found that different risk perceptions are significant among cash and E-payment but less significant in terms of volume of purchase.

III. OBJECTIVE OF THE STUDY

The present study makes an attempt to understand the perception of customers regarding E-Wallet based on the profile of the respondents, viz., Gender, Age, Qualification, and Occupation.

IV. RESEARCH METHODOLOGY

Source of Data: The data has been collected from primary source with the help of a structured questionnaire, which was built on google forms.

Sampling & Sample Size: A sample of 168 respondents was taken based on snow-ball sampling method.

Statistical Tool: Percentages, Mean, and chi square were used to analyse the data.

Hypotheses of the study:

H_0: There is no association between gender of the respondent and using an e-wallet

H_0: There is no association between age of the respondent and using an e-wallet

H_0: There is no association between qualification of the respondent and using an e-wallet

H_0: There is no association between Occupation of the respondent and using an e-wallet

V. Data Analysis – Customer Perception on use of e-wallets

Table-1: Cross tabulation – Profile of the respondents * Do you use digital payment app

Profile of the respondents		Yes	No	Total	P-value	Decision
Gender of the Respondent	Female	85	27	112	0.002	H_0 Rejected
	Male	52	1	53		
	Prefer not to say	2	1	3		
Total		**139**	**29**	**168**		
Age of the Respondent	18-30	119	27	146	0.50	H_0 Accepted
	30-45	17	2	19		
	45-60	3	0	3		
Total		**139**	**29**	**168**		
Qualification of the respondents	SSC	2	0	2	0.013	H_0 Rejected
	Intermediate	13	4	17		
	Graduate	51	19	70		
	Post Graduate	73	6	79		
Total		**139**	**29**	**168**		
Occupation of the respondents	Student	56	24	80	0.001	H_0 Rejected
	Employee	45	3	48		
	Professional	18	1	19		
	Businessman/Entrepreneur	10	0	10		
	Others	10	1	11		
Total		**139**	**29**	**168**		

(Source: Primary Data)

Inference: Table 1 shows that **82.73%** (139/168) of the respondents make use of digital payment app. Out of which **female** respondents are **active** users [**61.15%** (85/139)].As P-value, of Chi-square test, 0.002 is less than alpha value at 0.05 null hypothesis is rejected reflecting significant association between Gender and use of digital payment app.

Further, it can be stated that respondents having age between 18yrs to 30 years are enthusiastic users [**85.61%** (119/139)] of digital payment app as compared to other age groups and there is no significant association between age and usage of e-wallet. It can be discerned that respondents with higher qualification [**52.51%** (73/139)] tend to use digital payment app. There is significant association between qualification and usage of e-wallet (p value 0.013 < alpha at 0.05). Majority of **students** make use of digital payment

apps [**40.28%** (56/139)] followed by employees (32.37%), professionals (12.94%), businessmen (7.19%) and others (include homemakers). There is significant association between occupation and usage of e-wallet (p value 0.001 < alpha at 0.05).

Table 2: Factors influencing to use e-wallet

Influencing Factors	Frequency	Percent
Convenience	90	53.6
Family &Friends	30	17.9
Discounts & Offers	19	11.3
Technological Up-gradation	21	12.5
Others	8	4.8
Total	**168**	**100.0**

Convenience and Family & Friends were the most influencing factors to use the digital wallet accounting for 53.6% and 17.9% of total responses, followed by Discounts & Offers (11.3%) and Technology Up-gradation (12.5%), and Others (4.8%).

Table 3: Most preferred mode of e-wallet by the respondents across the gender

		Paytm	Google Pay (Tez)	Phone Pay	BHIM	Other	Total
Female	Count	24 (63.2%)	55 (74.3%)	22 (51.2%)	2 (66.7%)	9 (90.0%)	112 (66.7%)
Male	Count	13 (34.2%)	19 (25.7%)	20 (46.5%)	1 (33.3%)	0 (0.0%)	53 (31.5%)
Prefer not to say	Count	1 (2.6%)	0 (0.0%)	1 (2.3%)	0 (0.0%)	1 (10.0%)	3 (1.8%)
Total	Count	38 100.0%	74 100.0%	43 100.0%	3 100.0%	10 100.0%	168 100.0%

This table allow us to understand that both males and females preference for e-wallet

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.568	8	.045
No of Valid Cases	168		

Chi-square value 0.045 is less than significant value at 0.05 indicating significant association between the gender and preference for different e-wallet modes.

Table4: Most preferred mode of e-wallet by the respondents across the age

Age		Paytm	Google Pay (Tez)	Phone Pay	BHIM	Other	Total
18-30	Count	30	69	37	3	7	146
		78.9%	93.2%	86.0%	100.0%	70.0%	86.9%
30-45	Count	8	3	5	0	3	19
		21.1%	4.1%	11.6%	0.0%	30.0%	11.3%
45-60	Count	0	2	1	0	0	3
		0.0%	2.7%	2.3%	0.0%	0.0%	1.8%
Total	**Count**	**38**	**74**	**43**	**3**	**10**	**168**
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

This table allows us to understand that respondents in 18-30 age group prefer more every mode of e-wallet comparing to other age groups. It is noticed that Google Pay is the mostly used e-wallet by the respondents [44% (74/168)] followed by PhonePay (26%) and Paytm (23%).

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.406	8	0.134
No of Valid Cases	168		

Age of the respondents did not has statistically significant association with preference for a particular e-Wallet [p-value 0.134 > 0.05]

Table5: Most preferred mode of e-wallet by the respondents across the qualification

		Paytm	Google Pay	Phone Pay	BHIM	Other	Total
SSC	Count	0	0	2	0	0	2
		0.0%	0.0%	4.7%	0.0%	0.0%	1.2%
Intermediate	Count	9	4	3	0	1	17
		23.7%	5.4%	7.0%	0.0%	10.0%	10.1%
Graduate	Count	**21**	**30**	**13**	2	4	**70**
		55.3%	40.5%	30.2%	66.7%	40.0%	41.7%
Post Graduate	Count	**8**	**40**	**25**	1	5	**79**
		21.1%	54.1%	58.1%	33.3%	50.0%	47.0%
Total	Count	**38**	**74**	**43**	3	10	168
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Chi-Square Test

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.083	12	0.010
N of Valid Cases	168		

The table 5 illustrates that again Google Pay, Phone Pay, and Paytm were the most preferred mode of e-wallet across the qualification. Post Graduates and Graduates are more in number of e-wallet users. P value of 0.010 negates null hypothesis and proves that qualification has significant association with preference for an e-wallet.

Table 6: Frequency of the reasons opting for e-wallet

Reasons for opting e-wallet	Strongly Agree(1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)	Mean Perception
Time Saving	98	54	16	0	0	1.51
Safety	29	78	55	5	1	2.23
Convenience	58	78	29	3	0	1.86
Cost effective	36	85	41	6	0	2.10
Proof of transaction	71	72	23	2	0	1.72
Useful in emergency	75	61	29	2	1	1.76
Overall mean perception of the respondents						**1.51**

From the Table 6 it is evident that time saving, Proof of transactions, Convenience, Useful in emergency, Cost effective and safety are in order of reasons for opting for e-wallets. The overall mean perception of the respondents on these reasons was 1.51 that is majority of the respondents are in favour of e-wallets for the given reasons.

Table 7: Challenges faced while using e-wallet

Particulars	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)
Challenges faced while using e-wallet	4 (2.4)	64 (38.1)	92(54.7)	7(4.2)	1(0.6)

The above table explains the overall frequency and percentage of respondents' perception about the challenges while using e-wallets. In detail, Technical issues (42.3%), Security issues (38.7%), additional charges (34.5%), lack of knowledge (31%) were in order of challenges perceived by the respondents.

VI. Conclusion:

Based on the analysis it can be concluded that gender, qualification, and Occupation has significant association with usage of e- wallet by the respondents. Convenience and Family& Friends were the prime motivating factors for the respondents to use digital wallet. Google pay and phone pay were the mostly used e-wallets by the respondents. Gender and qualification have a strong association with preference to e-wallet. Time-saving and safety of money (not holding cash) are the top two reasons for opting a particular e-wallet. However, the respondents felt that technical issues, security issues, and transactions charges were the cause of concern for using e-wallets.

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