



# A STUDY ON CUSTOMER PERCEPTION TOWARDS M-WALLET

(with a special reference to Coimbatore City)

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**Abstract:** Mobile phones are used everywhere in this modern world. The technological advancement has made everything possible under one touch. By using the applications installed in the mobile phones the users can pay any bills and transact their money to anyone at their convenience. Increase in use of mobile phones and internet is the main reason for mobile wallet penetration. This study was carried out to find out the factors that affects consumers preference towards mobile wallet. Using a structured questionnaire primary data was collected from 120 respondents. The factor that affects consumer preference and Impact of demographic factors on consumer preference towards mobile wallet were also analysed.

**Index Terms - Mobile wallet, Digital Payment, Consumer preference.**

## INTRODUCTION

In today's environment, a smart phone has taken on significant importance in daily life. Users of smartphones have rapidly increased as they have become more accessible. A corresponding application must be installed in a smart phone in order to use payment services. The name of this programme is "digital wallet," "electronic wallet," or, more commonly, "mobile wallet." The customer must deposit a set amount of money into his mobile wallet before utilising the service, which can be used for shopping, recharging, paying bills, and other uses. It totally depends not only on the smartphone and mobile wallet that are installed into it. The entire process of sending and receiving money requires a complex network of intermediaries including banks, payment gateways and mobile network operators.

## STATEMENT OF PROBLEM

The customer perception of M-Wallet has been a cause for concern for many businesses. Many customers have reported feeling frustrated when trying to use the product due to bugs and technical malfunctions. Customers have reported feeling a lack of security and privacy when using M-Wallet. This has resulted in a lack of customer loyalty and an overall negative perception of the product. Measuring customer satisfaction is never easy since customers frequently hide information or don't accurately judge their level of satisfaction. In the year 2014, M-Wallets entered the e-commerce sector. M-Wallets now offer a variety of goods, allowing clients to purchase everything in one place, from basic cell recharges to purchasing clothes or electronics.

## OBJECTIVE

- To analyse the growth of mobile wallets in Coimbatore.
- To study about consumers awareness towards Mobile wallets.
- To study about the factors influencing the usage of Mobile wallets.
- To study about consumers expectations towards digital transactions.
- To analyse the problem faced by them in the digital transaction.

## RESEARCH METHODOLOGY

Methodology is a way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve a research problem. **Research Design**

The results of the study were obtained by descriptive analysis.

### Area of study

Coimbatore City is the second largest city and is one of the major metropolitan cities in TamilNadu. The study covers in the area of “A study on customer perception towards M- Wallet”.

### Period of study

The study covers a period of 3 months January 2023 - March 2023.

### Sampling procedure

A sample design is a definite plan for obtaining a sample from a given population. 120 samples were selected by snow ball sampling method. It is one of the probability sampling techniques.

## METHOD OF DATA COLLECTION

Data was collected through both primary and secondary data sources.

### PRIMARY DATA

A Primary data is a data, which is collected for the first time for particular information and data was collected using questionnaire (Google form).

### SECONDARY DATA

A secondary data is a data, which is the information is collected from already existing data and the secondary data was collected from various reviews.

## TOOLS USED FOR ANALYSING THE DATA

Study has the objective of ascertaining the “Customer Perception towards M-Wallet” for analysing the primary data the following statistical tools was used.

- Simple Percentage Analysis
- Ranking Analysis

## REVIEW OF LITERATURE

**Alagappa, Acharya, Acharya and Alagappa (2022)**, the study on “Customer inclination on mobile wallets with reference to Google-Pay and PayTM in Bangluru city” revealed that a good knowledge of the motivations for utilising mobile wallets and an endeavour to gather data from users of mobile wallets. Second, a strategy for enhancing the business is suggested after a detailed analysis of consumer preferences for Google Pay and PayTm is done using primary data gathered from mobile wallet customers. This study was done to better understand the customers' tendency for using mobile wallets.

**Shin and Lee (2021)** made an effort in the study “Factors affecting user acceptance for NFC mobile wallets in the US and Korea” to identify the elements that influence consumer acceptance of NFC mobile wallets in the Korean and US markets. The suggested model adds new credibility (CR) and service smartness elements to the UTAUT2 model (SS). On data gathered from 701 college students between the ages of 18 and 29, partial least square structural equation analysis was used to assess the

results of this study. The findings of this study show a strong positive relationship between a user's behavioural intention to use NFC mobile wallets and performance expectancy (PE), effort expectancy (EE), habit (HB), and CR. There are disparate PE and CR outcomes when comparing the results of the USA and South Korea.

**Le Na and Hien (2021)**, "A study of user's m-wallet usage behavior" developed a research model, investigated the outcomes, and predicted the variables influencing perceived value (personal creativity, risk involved, usefulness and ease of use, and long-term orientation)(commitment and recommendation). The diffusion of innovation theory (DOI), the theory of perceived risk (TPB), the perceived value model, and the technical acceptance model (TAM) were all used in the construction of the research model (PERVAL). A sample of 320 Vietnamese consumers who utilise mobile wallets was used in a Structural Equation Model (SEM) to evaluate the assumptions. According to the study, factors that significantly affect how valuable mobile wallet users are considered include personal innovation, perceived risk, perceived ease of use, and long-term orientation. Furthermore, the findings imply that perceived value has a favourable impact on user commitment and recommendation to use an m-wallet.

**Hittalmani and Rajopadhye (2021)**, in the study "M-wallet: A conceptual framework" concerned with the theoretical wallet's basis. Secondary sources are used to gather information on m-wallets, their different varieties, and their benefits and drawbacks. The lives of people have undergone significant change as a result of technological advancement, widespread internet accessible, and the appearance of smartphones. Consequently, M-wallets are evolving into the standard form of electronic payment. M-wallets have improved the ease and convenience of living by saving all data and monitoring payments.

**George and Sunny (2020)**, "Developing a research model for mobile wallet adoption and usage" aims to develop a thorough concept of the acceptance and practical use of mobile wallets by examining the impact of several important elements. The adoption and use of mobile wallets might be successfully illustrated by the presented model, and it also provides the opportunity to draw significant managerial conclusions about efficient marketing strategies.

## HISTORY OF M-WALLET

M-wallets, or mobile wallets, have become increasingly popular in recent years. They are a digital version of traditional wallets, allowing users to store, send, receive, and spend money through their mobile phones.

The concept of m-wallets was first introduced in 1997 by a San Francisco-based startup called DigiCash. Their idea was to launch an online payment system that was secure and easy to use. Unfortunately, it didn't gain enough traction and the company eventually folded.

A few years later, in 2004, PayPal launched its mobile wallet service. In the beginning, it was mainly used for person-to-person payments. But over time, it became a popular payment option for businesses and customers.

In 2011, Apple launched Apple Pay, which was the first large-scale mobile payment system. It allowed users to pay for items and services directly from their iPhones. Apple Pay quickly gained traction, and it was followed by a number of other similar services, such as Google Pay, Samsung Pay, and Android Pay.

Today, m-wallets are widely used across the world and are expected to continue growing in popularity. There are a number of different types of m-wallets, ranging from those designed specifically for online purchases, to those designed to store digital currencies like Bitcoin. No matter which type of m-wallet you choose, they all offer increased convenience and security.

## GROWTH OF MOBILE WALLETS

The growth and usage of mobile wallets is rapidly increased. The growth of M-Wallets is shown in the below figure.

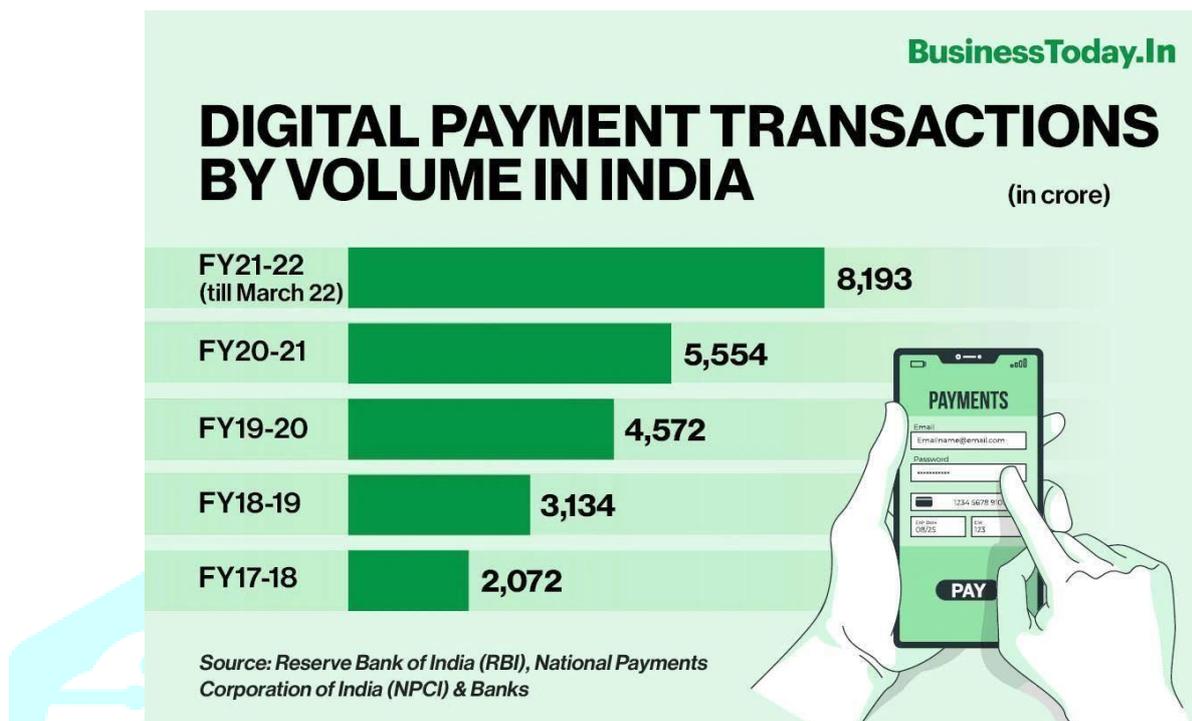


Figure 1

### Top 13 Mobile Wallets In India :

1. Paytm
2. Google Pay
3. BHIM Axis Pay
4. PhonePe
5. Mobikwik
6. Yono (SBI)
7. Citi MasterPass
8. ICICI Pockets
9. HDFC PayZapp
10. Amazon Pay
11. Samsung Pay
12. Apple Pay
13. WhatsApp Pay

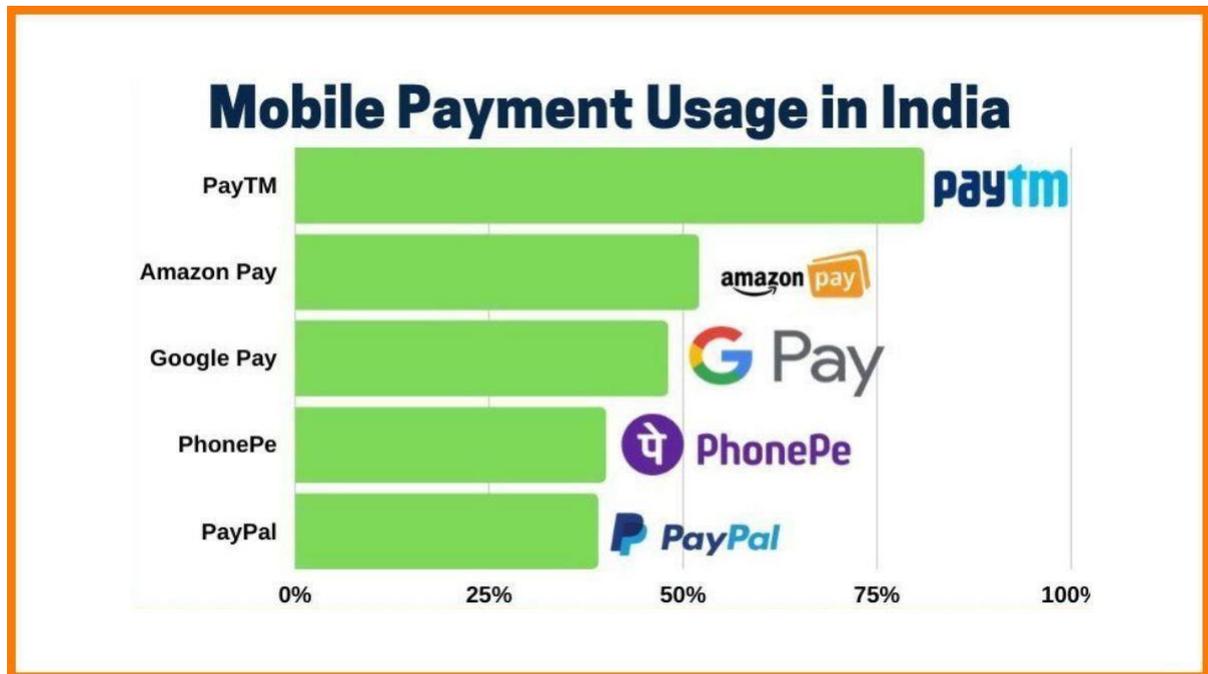


Figure 2

### ADVANTAGES OF MOBILE WALLETS

Mobile wallets got popular due to the advantages it offers. Here are listed some of the advantages of using mobile wallets in India.

#### 1. One-Click Payment

Given that the user may pay using such wallets, this is one of the most practical methods of doing so. The mobile wallet uses the data from your credit or debit card to make payments instantly or top a wallet. Users now have simple access due to this.

#### 2. Various Features and Applications

It is easily accessible and usable anytime, anyplace. These mobile wallets are simple to use; all that requires is a stable internet connection for the device. Additionally, with verified authentication, customers may access a single mobile wallet account from any of the devices, including laptops, PCs, and smartphones.

#### 3. Powerful Security Systems

Mobile wallets have made a lot of effort to offer high levels of security. For the safety of their money, almost more than half of the population has switched from leather wallets to e-wallets. The risk of daily theft or cash loss has also decreased because of mobile wallets.

#### 4. Several Advantages

To keep their consumers satisfied, they develop a number of additional benefits, like rewards programs, cashback, rewards, shopping benefits, and many more. Users can simultaneously save money with significant discounts and deals.

**DISADVANTAGES OF M-WALLETS:****1. Being aware**

Mobile wallets can only be used by tech-savvy users with a dependable and quick internet connection.

**2. Restrictions**

The amount you may deposit into a mobile wallet is limited, and there is also a daily spending limit. As a result, mobile wallets are useless when making large-value payments.

**3. Accessibility**

They still need some cash, cards, or net banking because there aren't many businesses that are currently registered and explicitly use mobile wallet money.

**4. Device dependence**

Even with that one tap payment, there is no guarantee that the phone will be operational, which means nobody can predict when their phone will stop working.

**TYPES OF MOBILE WALLETS**

The following are the main types of mobile wallets:

**1. Open wallets**

A bank may use an open wallet directly or via a third party. Open wallets enable users to use their mobile wallet funds to pay for purchases or to withdraw cash deposits made to their accounts. PayPal is an illustration of an open mobile wallet because it enables customers to pay for products both in-person and online while still having the option to withdraw cash.

**2. Closed wallets**

Users with closed wallets can only use the funds to pay for purchases made with the specified merchant because they are linked to that particular retailer. The funds cannot be withdrawn in cash or used by users to pay for purchases made with other merchants or third-party service providers. Amazon Pay is a perfect example of a closed wallet.

**3. Semi-closed wallets**

As long as there is an agreement in place between the merchant and the mobile wallet provider, users using semi-closed mobile wallets are able to use the funds in their wallets to pay for transactions with numerous merchants. Users have the option of withdrawing money into a bank account. However, users cannot withdraw money in cash from semi-closed wallets.

**DATA ANALYSIS**

CRITERIA	OPTIONS	NO OF RESPONDENTS	PERCENTAGE
Age	18-25 years	44	36.7
	26-30 years	35	29.2
	31-40 years	26	21.7
	Above 40 years	15	12.5

Gender	Male	76	63.3
	Female	44	36.7
Marital Status	Married	52	43.3
	Unmarried	68	56.7
Educational Qualification	Uneducated	2	1.7
	School level	13	10.8
	Diploma	11	9.2
	Graduate	94	78.3
Family type	Nuclear	79	65.8
	Joint	41	34.2
Monthly Income	Rs.10,000 – Rs.15,000	47	39.2
	Rs.15,001 – Rs.25,000	25	20.8
	Rs.25,001 – Rs.40,000	37	30.8
	Above Rs.40,000	11	9.2
No of members	Below 3	8	6.7
	3-5	81	67.5
	Above 5	31	25.8
Occupational Status	Employee	40	33.3
	Own business	29	24.2
	Profession	15	12.5
	Student	36	30.0
Know about M-Wallet	Social media	40	33.3
	Friends	56	46.7
	Magazines	12	10.0
	Relatives	12	10.0
Usage of M-Wallet	Daily	19	15.8
	Weekly once	44	36.7
	15 days once	25	20.8
	Monthly once	32	26.7
Other sort of payment	Alternate choice	48	40.0
	Substitute	28	23.3
	Supportive instrument	44	36.7
Awareness level	Very aware	13	10.8
	Aware	38	31.7
	Somewhat aware	30	25.0
	Not very aware	24	20.0
	Not aware at all	15	12.2

Impression to use	Available discount	19	15.8
	Premium offer	20	16.7
	Cash back	36	30.0
	Convenience	45	37.5
Preference	Paytm	37	30.8
	Google pay	58	48.3
	PhonePe	15	12.5
	Amazon pay	10	8.3
Purpose	Online shopping	33	27.5
	Ticket booking	24	20.0
	Bill paying	46	38.3
	DTH recharge	17	14.2
Issues	Tower issues	17	14.2
	Bank server down	53	44.2
	Server maintenance	21	17.5
	Payment issues	29	24.2
Satisfaction level	Highly satisfied	12	10.0
	Satisfied	47	39.2
	Neutral	48	40.0
	Dissatisfied	11	9.2
	Highly dissatisfied	2	1.7
Aspects like in M-Wallet services	Comfort	37	30.8
	Easy to pay	53	44.2
	Time saving	30	25.0
Occupational status	Hackers	13	10.8
	Data tracking	80	66.7
	Malware	27	22.5

#### RANKING FACTORS BASED ON THE USAGE OF M-WALLET

S.NO	FACTORS	SCORE	RANK
1	Contactless payment	326	IV
2	Online shopping	376	II
3	Entertainment	362	III
4	Tracking the expenses	298	V
5	Bill paying	438	I

## FINDINGS

### PERCENTAGE ANALYSIS

- Most (36.7%) of the respondents are in the age category of 18 – 25 years.
- The Majority (63.3%) of the respondents are the male.
- The Majority (56.7%) of the respondents are Unmarried.
- The Majority (78.3%) of the respondents are graduate.
- Most (39.2%) of the respondents earns income per month of Rs.10,000 – Rs.15,000.
- The Majority (65.8%) of the respondents are from nuclear family.
- The Majority (67.5%) of the respondents says 3-5 members in the family.
- Most (33.3%) of the respondents are from the category of an employee.
- Most (46.7%) of the respondents are known about the m-wallet through their friends.
- Most (36.7%) of the respondents use the m-wallet weekly once.
- Most (40%) of the respondents use m-wallet as alternate choice.
- Most (31.7%) of the respondents are aware about potential risks of using m-wallet.
- Most (37.5%) of the respondents used m-wallets because of the cash back.
- Most (48.3%) of the respondents preferred google pay.
- Most (38.2%) of the respondents mostly use the m-wallet for bill paying.
- Most (44.2%) of the respondents face the problem while using m-wallets are banks server down.
- Most (40%) of the respondents are neutral while using the m-wallet.
- Most (44.2%) of the respondents like the aspect of easy to pay in m-wallet services.
- The Majority (66.7%) of the respondents have the problem of data tracking.

### RANKING ANALYSIS

- Most of the respondents ranked bill paying (438).

### CONCLUSION

This study intends to look into how consumers view and feel about utilising their mobile wallets to make digital payments. The study analyses the elements influencing consumer's willingness to use mobile wallets based on their perceptions of technologies. According to the study, acceptance of m-wallet usage was most strongly influenced by convenience, then by reliability and accessibility. The factor that study participants valued most while utilising m-wallets was convenience. The suppliers of m-wallets should aim to improve user understanding of trust and privacy as well as the security of digital payment transactions. In the end, this will result in consumer's behavioural intentions to usage of mobile wallets improving.

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