

AN EMPIRICAL STUDY OF MOBILE WALLET USER BEHAVIOUR TO UNDERSTAND CONSUMER PREFERENCES AND INTENTION

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ABSTRACT

Digital Wallet is a virtual wallet, where certain amount can be preloaded in account created with the service provider, and spend it at online and offline merchants listed with that wallet service provider. Any daily transactions from e-tailing to offline payments can be made through it. Though world are getting digital, few things which we do remain as it is like money transaction. Physical wallet presents numerous problems as it can be snatched, misplaced or pick pocketed. This research carried to get insight for problems like 1.) What are the factors which shapes intention to use mobile wallet? 2.) What is a demographic influence on usage intention? 3.) How mobile wallet service attributes connected to usage intention. Primary data had been collected from 100 respondents from the Rajkot region. The respondents for the study comprised of college students-youngsters, bankers, retailers, businessmen and salaried selected on the basis of convenience. A well structured questionnaire was designed to collect the information from the respondents. The questionnaire comprised of covering the awareness and perception, usage and factors encouraging and discouraging the adoption of digital wallets. Convenience sampling method was used to collect responses. Factors like Brand Loyalty, Innovative Services, Premium Offers and many others influence the usage intention and satisfaction level among various age and occupational groups highlighted as the major findings of this paper.

KEYWORDS: Mobile Wallet, Usage, Intention, Digital Wallet, Adoption.

Introduction

Though world are getting digital, few things which we do remain as it is like money transaction. Physical wallet presents numerous problems as it can be snatched, misplaced or theft. Digital Wallet is a virtual wallet, where certain amount can be preloaded in account created with the service provider, and spend it at online and offline merchants listed with that wallet service provider. Any daily transactions from e-tailing to offline payments can be made through it.

There are mainly four types of mobile wallets prevailing in India - open, semi-open, semi-closed and closed. Open wallets which allows to buy goods and services, withdraw cash from ATMs or banks and transfer funds. These are the services can only be jointly launched with a bank. M-Pesa by Vodafone and ICICI are such open wallets. It is different from merchant payments as it also allows to send money to any mobile number bank account. Semi-open wallet, which allows to transact with merchants that have a contract with wallet service provider. Airtel money is one of it. One can spend the amounts what is loaded. In closed accounts, amount of money is locked with the merchant in case of a cancellation or return of the order, or gift cards. Semi-closed wallets like Paytm, which do not permit cash withdrawal or redemption, but allow one to buy goods and services at listed merchants. Reserve Bank of India, the big daddy of financial providers in India, has a complete set of guidelines for mobile-based payments, which takes full care of customer's interests. (Kumar, 2015).

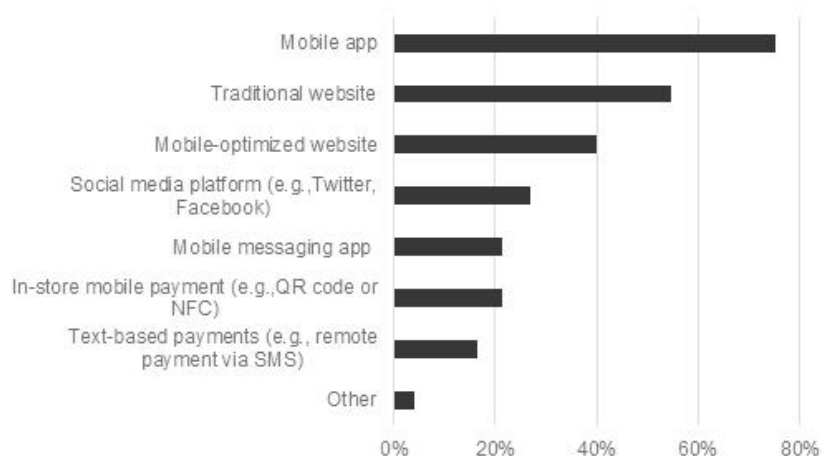
Mobile wallet usage helps to restrict the exposure of confidential data, and also give the biggest advantage of massive rewards in the form of discounts and cashbacks. Limited number of listed merchants, limit to loading of amount, internet requirement, device battery life are some of the demerits hamper mobile wallet usage.

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Paytm is at the top position with 60 million transactions per month with user base of 50 million. It has partnered with banks to load money in Digital Wallet. It has plan to partner with more them 30000 offline retailer to facilitate cashless transaction. Paytm’s other initiatives include tying up with India’s National Centre for Trade Information (NCTI) to offer a virtual marketplace platform for its members and provide payment gateway services (Ray, 2015). The companies like MobiKwik and PayU plans to spend over 100 crores in advertising and spreading awareness for digital payment. It helps to make people habituated to transact frequently and digitally (Richa Maheshwari, 2015).

As mobile wallete usage is growing in India with the view of all available services offered which does not specify the preferences to use mobile wallet. Eventually companies’ ambiguity may increase with dissolved usages. It becomes the prior interest of most of the service providers to segregate the usage preferences and obstacles to make concentrated investment on advertising or product differentiation.

Typical Payment method used for M-Commerce in India-year 2016



Source: <https://blog.euromonitor.com/2017/02/digital-payments-in-india-not-a-distant-dream.html>

Conceptual framework

Digital Wallet is a service which allows people to pay from their mobile devices. The project was launched by UIDAI (Unique Identification Authority of India) with prepaid service provider like vodafone, Airtel, Oxigen Services in the month of March 2014. (Business Today, December 2013)

Mobile Wallets

- **Paytm**

Paytm is one of the fast growing companies in the mobile wallet space in India which received the payment bank license from the Reserve Bank of India in the year 2017. It crossed 100 million user base and 60 million corers per month till the year 2016.

- **Vodafone M-Pesa**

M-Pesa launched in 2007 by Vodafone for Safaricom and Vodacom. It allows users to deposit, withdraw, and transfer money with a mobile device. Vodafone M-pesa claims to be India’s largest cash out network, with over 85,000 M-pesa agents spread across the country.

- **BHIM**

Bharat Interface for Money (BHIM) had been launched by Hon’ble Prime Minister on 30th Dec 2016. It is interoperable with UPI (Unified Payment Interface) and USSD (Unstructured Supplementary Service Data) platforms. BHIM is developed by the National Payment Corporation of India (NPCI).

- **MOBIKWIK**

It was started in 2009 and now having 12 Million users.

Started in 2009, MobiKwik claims to have 12 Million users. It has partnered with eBay, Snapdeal,

Shop Clues, Make MyTrip, red Bus, Book My Show, Domino's Pizza, Fashion and you, American Swan, Abhibus, Purpille, HomeShop18, Naaptol, Pepperfry, Yepme and Infibeam for wallet payment facility.

- **M-Rupee**

M-Rupee, a Tata Teleservices offering in the mobile wallet space, This semi closed wallet is licensed by Reserve Bank of India. It operates on a Customer Self Initiated as well as a Retailer Assisted Model thus catering to a large number of users.

Review of Literature

- **Role of Mobile wallet**

Dr. Poonam Painuly, Shalu Rathi in their paper "Mobile Wallet: An upcoming mode of business transactions" (May 2016) concluded types and trends and role of mobile wallet in various sectors like Banks, Retail and Hospitality. The paper also explains the importance of mobile wallet and future scope. Paper reveals the consumer psychology while experiencing shopping with mobile payment and growth of mobile money in business, social and economic prospective.

Acceptance, Adoption and Intention

Adoption is laden with positive value and implied finality. Adopters are those who adopt, as opposed to rejecters who decide not to adopt, or non-adopters who have yet to begin the process of becoming adopters" (Zenobia, 2008) and summarised the 3 types of adoption decisions suggested by Rogers (2003, 5th edition) in his Diffusion of Innovations book: Optional adoption decision is made by single individual such as the consumers' decision, Collective adoption decision is taken place by group consensus, authority adoption decision is established by more or less a few individuals who hold positions of power, status or technical professionals in a group. Tomi Dahlberg, NiinaMallat&AnssiÖörni studied in their paper" Trust enhanced technology acceptance model – Consumer acceptance of mobile payment solutions" (2003) that describes user acceptance levels in relation to digital wallet adoption . Trust and security are the most seen factors while deciding the usage of mobile wallet. Key Pousttchi and Dietmar G. Wiedemann in their paper studied "What Influences Consumers' Intention to Use Mobile Payments?" (2008) assessed key influential factors wherein subjective security was not a primary driver of mobile payment acceptance. They found that confidentiality of payment details and trustworthiness were strongly correlated. Four key variables like performance expectancy, effort expectancy, social influence, and facilitating conditions were found to directly impacting consumer intention and usage behavior.

Research Methodology

The current study is descriptive, based on primary data collected from 100 respondents from the regions of Rajkot. The respondents for the study comprised of college students-youngsters, bankers, retailers, businessmen and salaried selected on the basis of convenience. A well structured questionnaire was designed to collect the information from the respondents. The questionnaire comprised of covering the awareness and perception, usage and factors encouraging and discouraging the adoption of digital wallets. Convenience sampling method was used to collect responses.

Research Problems

- What are the factors which shapes intention to use mobile wallet?
- What is a demographic influence on usage intention?
- How mobile wallet service attributes connected to usage intention.

Research Objectives

- To know the awareness level for mobile wallet among people
- To study user's preference for using mobile wallet
- To understand demographic influences on mobile wallet usage intention
- Identifying factors which leads mobile wallet usage intention

Hypothesis

H₀₁: Demographic factors do not have impact on Mobile wallet preference

H_{a2}: Demographic factors do have impact on Mobile wallet preference

H₀₂: Demographic factors do not have impact on satisfaction regarding Mobile wallet usage.

H_{a2}: Demographic factors do have impact on satisfaction regarding Mobile wallet usage.

Data Analysis and Interpretation:

Out of 100 respondents more than 64% people are using PayTm and 45% people using bank apps as Mobile wallet for various payment purposes.

Most of the respondents are using Paytm followed by various bank apps which is shown in Chart: 1. Online shopping and recharge and bill payment are the main purpose offers reasons to customers for usage of digital wallet payment as shown in Chart: 2. Compare to employees, Businessmen and professional students-youngsters are highly aware about Digital wallets and payment method as shown in Chart: 3. Young students are highly satisfied using mobile wallet due to its safe and secure transaction compare to salaried, businessmen and professionals as shown in Chart 4:

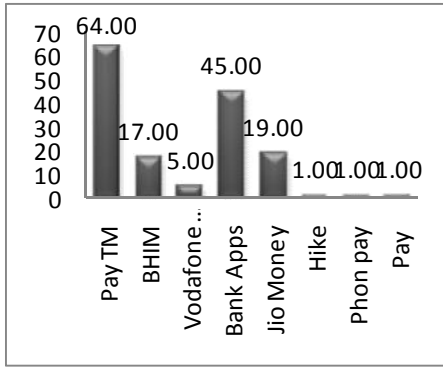


Chart 1: preference to mobile wallet

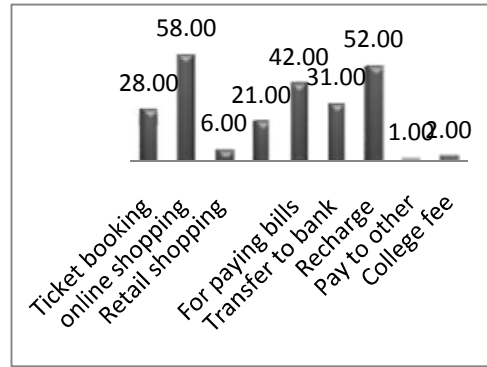


Chart 2: Digital Wallet Usage Purposes

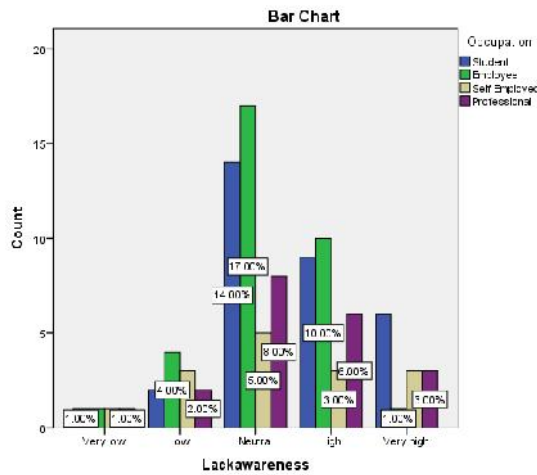


Chart 3: Digital wallet awareness age wise

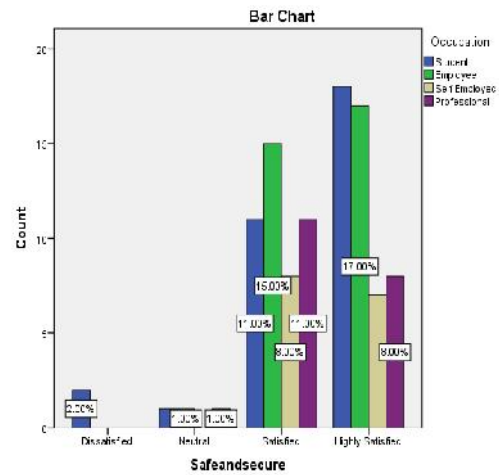


Chart 4: Satisfaction about safety & security age wise

Age Groups and factors influence on usages of digital Wallet

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Discount offer	Between Groups	.312	3	.104	.256	.857
	Within Groups	38.928	96	.406		
	Total	39.240	99			
Cash back	Between Groups	.681	3	.227	.369	.776
	Within Groups	59.109	96	.616		
	Total	59.790	99			
Quicker checkout	Between Groups	.406	3	.135	.177	.912
	Within Groups	73.434	96	.765		
	Total	73.840	99			

Brand loyalty	Between Groups	6.599	3	2.200	3.020	.034
	Within Groups	69.911	96	.728		
	Total	76.510	99			
More secure	Between Groups	.567	3	.189	.343	.794
	Within Groups	52.873	96	.551		
	Total	53.440	99			
Innovative	Between Groups	2.505	3	.835	1.106	.351
	Within Groups	72.495	96	.755		
	Total	75.000	99			

Digital wallet usage preferences are influenced by brand loyalty towards various wallets among age groups as tested and shown in table wherein significance level is 0.034 .

Occupational Groups and factors influence on usages of digital Wallet

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Discount offer	Between Groups	1.258	2	.629	1.607	.206
	Within Groups	37.982	97	.392		
	Total	39.240	99			
Cash back	Between Groups	.439	2	.220	.359	.699
	Within Groups	59.351	97	.612		
	Total	59.790	99			
Quicker checkout	Between Groups	1.049	2	.525	.699	.499
	Within Groups	72.791	97	.750		
	Total	73.840	99			
Brand loyalty	Between Groups	2.043	2	1.021	1.330	.269
	Within Groups	74.467	97	.768		
	Total	76.510	99			
More secure	Between Groups	.199	2	.099	.181	.835
	Within Groups	53.241	97	.549		
	Total	53.440	99			
Innovative	Between Groups	7.882	2	3.941	5.695	.005
	Within Groups	67.118	97	.692		
	Total	75.000	99			

Digital wallet usage preferences are influenced by innovative services being offered by various wallets among occupational groups as tested and shown in table wherein significance level is 0.005.

Age Groups and factors influence on satisfaction level in digital Wallet Usage

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Easy to use	Between Groups	.064	2	.032	.089	.915
	Within Groups	34.686	97	.358		
	Total	34.750	99			
Safe and secure	Between Groups	1.831	2	.915	2.183	.118
	Within Groups	40.679	97	.419		
	Total	42.510	99			
Discount available	Between Groups	.983	2	.492	.782	.460
	Within Groups	60.977	97	.629		
	Total	61.960	99			
Premium offer	Between Groups	6.717	2	3.359	6.980	.001
	Within Groups	46.673	97	.481		
	Total	53.390	99			
Privacy	Between Groups	1.399	2	.700	.925	.400
	Within Groups	73.351	97	.756		
	Total	74.750	99			

Digital wallet satisfaction level is influenced by premium offers by various wallets among age groups as tested and shown in table wherein significance level is 0.001.

Occupational Groups and factors influence on satisfaction level in digital Wallet Usage ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Easy to use	Between Groups	.839	3	.280	.792	.502
	Within Groups	33.911	96	.353		
	Total	34.750	99			
Safe and secure	Between Groups	.265	3	.088	.201	.895
	Within Groups	42.245	96	.440		
	Total	42.510	99			
Discount available	Between Groups	3.312	3	1.104	1.807	.151
	Within Groups	58.648	96	.611		
	Total	61.960	99			
Premium offer	Between Groups	7.045	3	2.348	4.865	.003
	Within Groups	46.345	96	.483		
	Total	53.390	99			
Privacy	Between Groups	1.239	3	.413	.539	.657
	Within Groups	73.511	96	.766		
	Total	74.750	99			

Digital wallet satisfaction level is influenced by premium offers by various wallets among occupational groups as tested and shown in table wherein significance level is 0.003.

Findings

Payment through mobile app is most preferred payment method used in the year of 2016. Most of the People prefer bank offered wallets and specific paytm wallet for the payment. Online shopping, recharge and bill payment are the purposes pushes mobile wallet payments. Innovative services and premium offers being offered by various companies of digital wallet highly influenced satisfaction among various occupational groups wherein brand loyalty and premium offers of various wallets influence wallet usage behavior among various age group. The factors which play an important role in consumer adoption are convenience in buying products online, brand loyalty, Security, available offer and usefulness of digital wallet.

Conclusion

Digital wallets are quickly becoming mainstream mode of online payment. Shoppers are adopting digital wallets at an incredibly rapid pace, largely due to convenience and ease of use. With the new mission of making India more technologically advanced, we can expect a much wider use of digital wallets among Indians in the near future. It was observed from the survey that the brand loyalty, innovative service, premium offer and so many factor influences to customer use to wallet. Some problems faced by people are the knowledge about wallet and unavailability of internet in many places still a major drawback for uses of digital wallets in India. Companies can offer various services targeted among occupational and age groups under digital wallet offerings.

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