

DIGITAL WALLETS AND THEIR FUTURE IN INDIA

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ABSTRACT

Technology in India is exploring itself day by day. From last 20 decades, so many changes can be noticed in payment patterns, shopping styles, working infrastructure etc. With all these things, the major change that comes in society is with payment system. If compared with the payment patterns before 2000, large number of new options is available for a customer. The digitization focused on replacing the cash system from the market. The present study is based on experiences of people with digital wallets and their expectations with these wallets. This study is focused on users awareness towards digital wallets and the risks associated. For this, data of 300 digital wallet users has been collected and analysis will be done using t-test and ANOVA. The major population is selected from different states of country to study their expectations from digital wallets.

Keywords: *Digital Wallets, Awareness, Expectations, m-Wallets.*

Introduction

India being a developing nation is on the path of growth. Digitization is the major point of action. With this objective, several fields are on the way of being digital. Digital wallets are one of those. Digital wallet is created by software that allows people to conduct electronic commercial dealings. Using a digital wallet on a computer, tablet, or smart phone one can perform transactions without problems. The bank accounts of users can also be connected to their digital wallets. Digital wallets are used for more than just online consumptions; they're also used for user verification. Users' personal details are kept stored in digital wallets for KYC purpose. In India, multiple mobile wallets are available. In India, digital wallet was found by Coca cola with vending machines.

Types of digital wallets:

- **Open wallets**
 - **Closed wallets**
 - **Semi –closed wallets**
- In India, there are multiple variety of digital wallets found**
- Google Pay,
 - Apple Pay
 - Samsung Pay.
 - Paytm
 - Mobiwik
 - Amazon wallet
 - BHIM UPI
 - I-Mobile
 - Phone pe

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Literature Review

Author, Year	variables	Tools , sample size	Findings
Invalid source specified.	Frequency of using wallets, awareness	1000, Percentage analysis	In upcoming period, digital wallets have a wide scope and people will use these wallets for their regular activities.
Invalid source specified.	Awareness, user acceptance , risk	Primary data	Digital wallets associated with banks are more popular than others. People are having very less usage of these wallets for paying bills and their DTH recharges. Awareness and practical applicability is very low.
Invalid source specified.	Objectives of being cashless, modes of cashless payment, Hurdles	Descriptive study based on Indian Population	Being cashless will be beneficial for developing nations. It has also reduced the risk of carrying cash.
Invalid source specified.	Users adoption, Perceived Impact ,	Data collected form From different countries	Digital wallets gave a new option in 2020 during Covid -19 periods. Mobile money will continue to navigate the new economics of mobile money.
Invalid source specified.	Convenience, security , ease of use, privacy , economical	Primary data 100 from Kerala,	People are aware about digital wallets and are highly satisfied with convenience and ease of use in digital wallets.
Invalid source specified.	Hygiene factor , security ,	Primary data 220, Mean , SD,VARIANCE	People worried about hygiene factor and have high security concern due to pandemic.
Invalid source specified.	Mode of payment, age group	Primary data 150 , Chi square	Consumers feel less secure with mobile payment services. All age group people feel safe with banking wallets.
Invalid source specified.	Compatibility, Diffusion of innovation(DOI), Intentions to recommend(IOC)	Primary data , 1256, CFA(Confirmatory Factor analysis)	People have limited access knowledge on mobile wallets. Service providers should consider the compatibility of their service with target users' lifestyles.
Invalid source specified.	Demographic Variables, frequency of using mobile wallets, trust , convenience, acceptance, Brand loyalty	Primary data 250 , Secondary data, Mean , SD, ANOVA	People are less aware about digital wallets especially small vendors and less educated population. There is no impact of demographic variables on trust, convenience , acceptance of mobile wallets and brand loyalty.
Invalid source specified.	Perceived usefulness, perceived ease of use, Behavioral Intention, trust ,perceived critical mass , social influence, demographic factors	Literature review study for developing model	The UTAUT model measures the influence of demographic variable on other variables. The new model is designed for study in COVID era.

Research Gap

After studying multiple literature reviews, it has been concluded that all the studies are related to frequency of using digital wallets, users trust and security in digital wallets. The present study is focused on users' perception and expectations from mobile wallets.

Research Methodology

The present research is focused on digital wallets users' perceived usefulness, awareness and their expectations. The study comprises of primary data collected from a standard questionnaire Responses from 400 users of mobile wallets have been collected. The variables of study are

- Awareness
- Users' expectations
- Gender
- Age

The tools used for analysis are T-test , ANOVA

Objectives of Study

- To study the relationship between demographic variables with users' perception.
- To analyze the influence of perceived usefulness on awareness and expectations from digital wallets

Hypothesis

H₁: There is a significance relationship between Demographic variables and perceived usefulness in digital wallets.

H₀₁: There is no significance relationship between Demographic variables and perceived usefulness in digital wallets.

Data Analysis

Variable	Reliability Statistics	
	Cronbach's Alpha	N of Items
Users' Awareness	0.75	8
Expectations	0.81	12

Table 1: Awareness about Digital wallets

Awareness	Respondent	Percentage
I have prior knowledge about digital wallets.	80	20
I am using digital wallets for my regular activities.	310	77.5
I heard about digital wallets but never used it.	10	2.5

As is evident from above table, 77.5% of respondents are aware about digital wallets. 20% of respondents have prior knowledge about digital wallets. Only 2.5% of respondents have never heard about digital wallets.

Table 2: Online Payments using Digital Wallet

Making On linepayment	Making online payments using a digital wallet	
	Respondent	Percentage
Yes	310	77.5
No	90	22.5

The above table represents that 83.33% of the respondents use digital wallets for finishing an on-linetransaction whilst 16.66% of the respondents do now not use digital wallets.

Table 3: Digital Wallet Service Providers' Perception and Preferences

DigitalWallet	Perception		Preference	
	Respondent	Percentage	Respondent	Percentage
Google pay	200	50	190	47.5
Paytm	70	17.5	160	15
Phonepe	5	1.25	50	12.5
BHIM UPI	100	25	110	27.5
Mobiwik	15	3.75	30	7.5
Others	10	2.5	60	15

The above table exhibits that respondent's Perception about digital-wallet payment provider is high, Paytm is the only digital-wallet company about which people have high perception. 50% of respondents are aware about Paytm and 47.5% of respondents prefer Paytm wallet. 17.5% respondents are aware about Google Pay and 15% people prefer to make payment via Google Pay. Only 1.25% respondents are aware about Phonepe and 12.5% people used to prefer it for making payment. 3.75% people in survey have awareness about MOBIWIK whereas 7.5% people prefer it for regular transactions. 2.5% people out of 400 are aware about digital wallets other than mentioned in survey and 15% people prefer other digital wallets like i-mobile app, PNB one , M-paisa , Amazon wallet, Flipkart wallets and other digital wallets.

Table 4: Digital Wallet Preference towards Completing Transactions

Preferences of Digital Wallet Transactions	Respondent	Percentage (%)
Recharge	20	5
Utility Bill Payments	30	7.5
Transportation	10	2.5
Food/Movie tickets	5	1.25
Online Shopping	100	25
Transfer money	200	50
Any other	35	8.75

The above table shows the number of activities performed via digital wallets. As is evident from the above table, 5% people uses digital wallets for recharging their mobile number, metro cards and dish T.V. recharges. 7.5% people use digital wallets for making bill payments. 2.5% people use digital wallets for transportation. Only 1.25% people use digital wallets for buying movie tickets or restaurant booking. 25% people uses digital wallets for online shopping. 50% of respondents' uses digital wallets for money transfers. 8.75% respondents uses digital wallets for other purposes like investments, booking Gas cylinders, payment of credit card bills, for payment of toll tax, for making LIC insurance premium etc.

Table 5: Use of Digital Wallet on a Regular basis (per Month)

Use of Digital Wallet	Respondent	Percentage
Once	30	7.5
Twice	20	5
Thrice	50	12.5
More than thrice	300	75

As is evident from the table no. 5 , only 7.5 % people participated in survey used digital wallets only once. Whereas 5% people have used digital wallets twice. 12.5% people have used digital wallets three times and 75% people have used digital wallets more than three times.

Table 6: Problems faced with Digital Wallets

Problem faced	Respondent	Percentage
Yes	30	7.5
No	370	92.5

As is evident from the table no. 6, only 7.5% people have faced issues while using digital wallets whereas 92.5% people have no complaint with digital wallets.

Table 7: Users' Preference towards Digital Wallets in Future

Use of Digital wallet	Respondent	Percentage
Very high	220	55
High	90	22.5
Neutral	60	15
Low	30	7.5
I stopped using digital wallets	0	0.00

As is evident from the above table, 55% people have preference towards digital wallets in future. 22.5% people have high preference towards digital wallets in future. 15% people have neutral attitude for future usage of digital wallets. 7.5% people have very less chances in future for using digital wallets. No one wants to stop using digital wallets.

Reasons for utilizing Digital wallet payment gateway services and Digital wallet service towards client satisfaction

Satisfaction of the customer is one important factor to understand the perception towards Reasons for utilizing Digital wallet. The difference among satisfaction of the customer and reason for utilizing digital wallet is studied by developing the following the hypothesis.

Table 8: Reasons for Utilizing Digital Wallet Payment Gateway Services and Digital Wallet Service towards Client Satisfaction

Reasons for using Digital wallets	Users Satisfaction towards digital wallets				F value	P value
	Highly satisfied	Satisfied	Neutral	Dissatisfied		
Easy to use	3.6	4.4	4.4	4.1	5.04	0.06
convenient	3.5	3.5	4.7	3.8	10.93	0.00
Comfortable	4.8	4.8	4.2	4.7	11.20	0.00
Disputes resolved	2.1	2.5	3.7	3.3	4.75	0.00
Cash Backs, discount offers and rewards	3.1	4.6	2.8	3.4	3.86	0.06

** Significant level at 1%

** significant level at 5%. The hypothesis is examined the usage

As is evident from the above table , 4.4% people are highly satisfied with digital wallets as these are easy to use. Here $p > 0.05$ therefore null hypothesis is accepted at 5% significance. 4.7% people are neutral about using digital wallets and only 3.5% people are highly satisfied with digital wallets in the terms of convenience. Here $p < 0.05$ therefore null hypothesis is rejected at 5% significance. 4.8 % people are highly satisfied and find comfort in digital wallets. Only 2.5 % people are highly satisfied with digital wallets in terms of dispute resolvance. 3.1% people are highly satisfied with digital wallets as cash back offers , discounts and rewards received . Here $p > 0.06$ and $f = 3.86$. Therefore null hypothesis is accepted at 5% significance.

Findings of the Study

- People have a high level of awareness about digital wallets.
- Majority of population surveyed is a w a r e of Google pay and prefer to use it over Paytm and Phone Pe.
- People like to use digital wallets for paying bills, money transfers, online shopping and buying food/film tickets.
- The major areas of study are availability, convenience, provider acceptability, security, and rewardpoints.
- Large number of respondents use digital wallet on regular basis.
- Maximum people are highly satisfied with the services of digital wallets while a small number are extremely delighted with the service they use.
- Maximum people did not face any problems with digital wallets and the most common issue found by certain operators is server problem.
- Majority of population chooses to continue using digital -wallet since they are happy with the service offered.
- People worried about personal data shared with digital wallet with different companies , misused of data in case if the phone is stolen.
- People find quick solutions to the problems in using digital wallets.
- Google pay is preferred by maximum population for different purposes.
- Major people are influenced via variables like safety, requirement, time and facilities used.

Conclusion

The major purpose of this study is to understand the users' perception, awareness and expectations towards digital wallets. In this study , users awareness towards digital wallets and the their preference in future has been studied. Young People are preferring digital wallets more than other age groups. People have security concern so digital wallet companies should work on that area.

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