



## A STUDY ON EFFECTIVENESS OF E-WALLET

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### **Abstract**

Few years back E-wallet was something majority in India did not hear about but its use saw a huge leap in last couple of years with the surge of smart phones, high speed internet connectivity using 3G and 4G and the lucrative offers E-wallets provide. This research paper is an attempt to study the preference towards E-wallet among the people in Kerala and students studying in various universities in Calicut. This paper makes an attempt to study customer satisfaction in use of e-wallet as dependent variable and problems in e-wallets, risk and solution to boost the use of e-wallet as independent variables. A structured questionnaire was prepared and data was collected and factors affecting the adoption and usage of mobile wallet was analysed by using percentage method to get the statistical result from data collected.

**Keywords:** Kerala -Calicut, E-wallets, Students, Preference, digital-wallets.

### **Introduction**

In today's-world, Smartphone has become important part of everyday life and it has become more affordable, the number of smartphone users has increased dramatically. The quantity of smartphone consumers surpassed 1 billion in 2012 and predictably it will reach 1.75 billion in 2014. Along with smartphone production, plenty of services have been created to utilize the possible functions of smartphones. Not only smartphones are used as communication devices, but also to be used as socialized tool, entertainment tool, internet access tool, and even payment tool. E-wallet means banking through internet, it gives you the facility to access your bank account in real time and to make full control over your bank and credit card account. By using internet banking, you could access your bank account from anywhere means you could access your bank. E-wallet is a type of pre-paid account in which a user can store his/her money for any future online transaction. An E-wallet is protected with a password. With the help of an E-wallet, one can make payments for groceries, online purchases, and flight tickets, among others.

E-wallet has mainly two components, software and information. The software component stores personal information and provides security and encryption of the data. The information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc.

For setting up an E-wallet account, the user needs to install the software on his/her device, and enter the relevant information required. After shopping online, the E-wallet automatically fills in the user's information on the payment form. To activate the E-wallet, the user needs to enter his password. Once the online payment is made, the consumer is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically.

An E-wallet is a system that securely stores user's payment information and passwords for numerous payment methods and websites. By using a digital wallet, users can complete purchases easily and quickly with near-field communications technology. They can also create stronger passwords without worrying about whether they will be able to remember them later. E-wallets can be used in conjunction with mobile payment systems, which allow customers to pay for purchases with their smart phones. A digital wallet can also be used to store loyalty card information and digital coupons. An E-wallet is also known as digital wallet.



## **Objectives of the Study**

### **Primary Objective**

- Effectiveness Of E-Wallet

### **Secondary Objective**

- To Ascertain The Awareness Of E-Wallet Among People.
- To Ascertain The Acceptance Of The Concept E-Wallet Among Consumers.
- To Determine Factors That Influence Consumer Purchase Of E-Wallet Options And Similar Options.

## **Scope and importance of the study**

This study is mainly to know the effectiveness of e-wallet among people. This conceptual study helps to know about the factors influencing the consumer to purchase e-wallet, and to find the acceptance of e-wallet among consumers. This report is useful to the E-wallet companies to know how effective is their application and they can take measures to increase the use of e-wallet among people. This report may be useful to the people who is not familiar with e-wallet and its facilities.

## **Research Methodology**

The study titled “EFFECTIVENESS OF E-WALLET” with special reference to Calicut city, Kerala, tries to find out how effective is e-wallet and a humble attempt in this direction to know the preference of people towards mobile wallets and how effective is e-wallet for them.

Research methodology is a way to solve the research problems in a systematic manner. It includes the overall research design, the sampling procedure, data collection and analysis procedure. The research types used in this study are descriptive and analytical research which includes surveys and facts, findings, enquiries of different kinds. The major purpose of the descriptive research is the state affairs as it exists at present. The source of data includes primary and secondary data sources. Primary data has been collected from 50 respondents through questionnaire. Secondary data has been collected from standard textbooks, newspapers, magazines, internet, and several other popular related websites.

## **Area of Study**

The area of study is bound to Calicut city (Kerala) only.

## **Methods of Sampling**

Convenience sampling technique has been used to select samples from the population

## **Limitation**

1. Respondent either would not disclose or sometimes do not assess their opinion clearly.
2. Difficulty in availability of secondary data.
3. Since the time available for the research was limited an in-depth analysis could not be made.
4. Since the number of respondents is limited, the result cannot be generalized accurately.
5. Respondents may have failed to give unbiased answers.

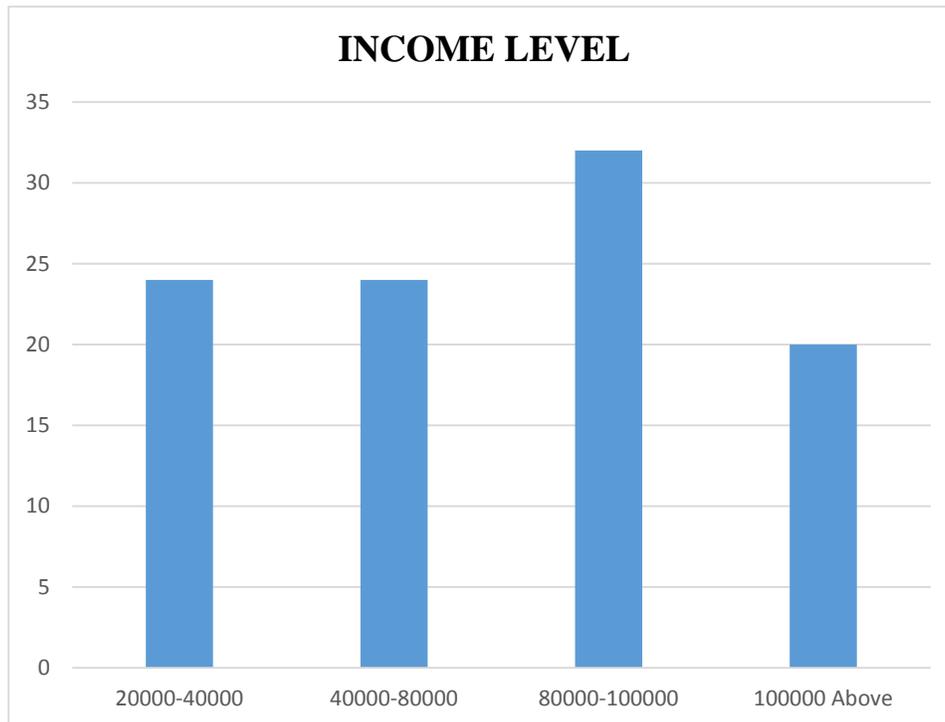
## **Literature Review**

- According to Mr. Milind Narsingh Prajapat, student of G.H Rasoni Polytechnic College, in his article “E-wallet” points out that, In addition to the use of physical wallet, E-wallet needs to satisfy the core requirement of proving payment and authentication in online transaction initiated from any internet enabled device. E-wallet is destined to become the virtual representation of the person on the internet. Residing on the network, the electronic wallet will be able to reach from any internet access point & become the owner’s authorised agents for e-commerce transaction.

- SanazZarrinKafsh (2015), made a study on “Developing consumer Adoption Model on mobile wallet in Canada”, by taking a sample of 530 respondents through convenience sampling. Partial Least Square model was used to analyse the data. The focus of the study was to identify the factors that influence the consumer’s adoption of mobile wallets. This study was based on technology acceptance model (TAM) & innovation diffusion theory (IDT). As per the analysis made by them, there is relationship among perceived usage, perceived ease of use & perceived security in predicting the adoption of mobile wallets.
- Neeharika P & V N Sastry (2014), conducted a study on “A Novel Interoperable Mobile Wallet Model with Capability based access control framework”, this study makes an important contribution towards the development of a mobile wallet that can work across various platforms. As security is the major concern when it comes to finance related information, the study addresses the security issues by giving access control model that works towards interoperable mobile wallet.
- Shwetu Kumar, Vijay Yadav, Atiqu-Ur-Rahman, Aditi Bansal (2014), made a study on “Paytm”, it studied about its achievements, technical architecture of Paytm, working and technologies of Paytm which include a study on supply chain management, web technologies of Paytm, web based tool of Paytm and also described about electronic payment system.
- Ngoc Doan (2014), conducted a study on “Consumer adoption in Mobile wallet (A study of consumers in Finland)”, this study was undertaken to understand about the consumer adoption status of mobile wallet with research area limited in Finland. It also examines the market situation of mobile consumers toward mobile wallet. The study states that the adoption of M- wallet among consumers in Finland is only at the beginning stage & the success of M-wallets depends on the marketing strategies of M-wallet companies as well as the financial policy makers in Finland.

## 1. Incomelevel

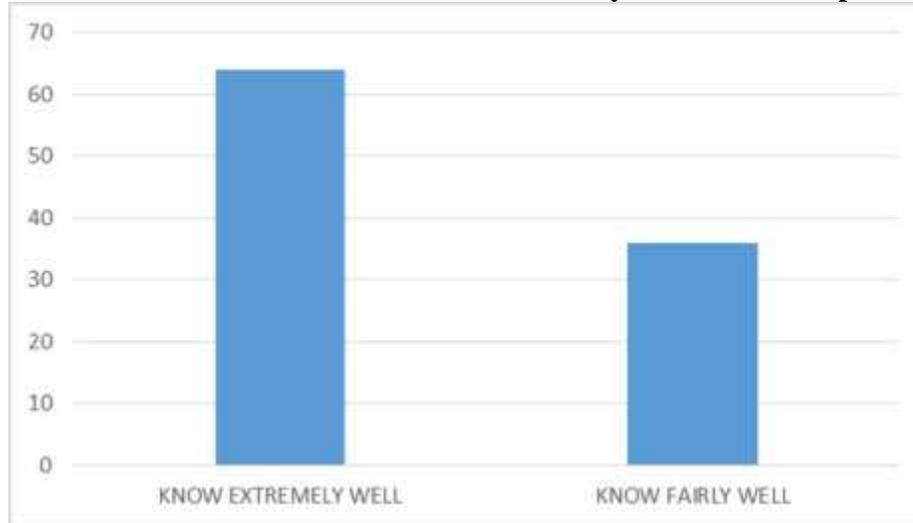
**Fig no.1 Classification on the income level of the Respondent.**



This table depicts that 20% of the customers belong to above one lakh income category whereas 24% of them belong to 20000-40000 and 40000-80000 each. The rest 32% belong to 80000-100000 category.

### 2.E-Wallet Familiarity Among People

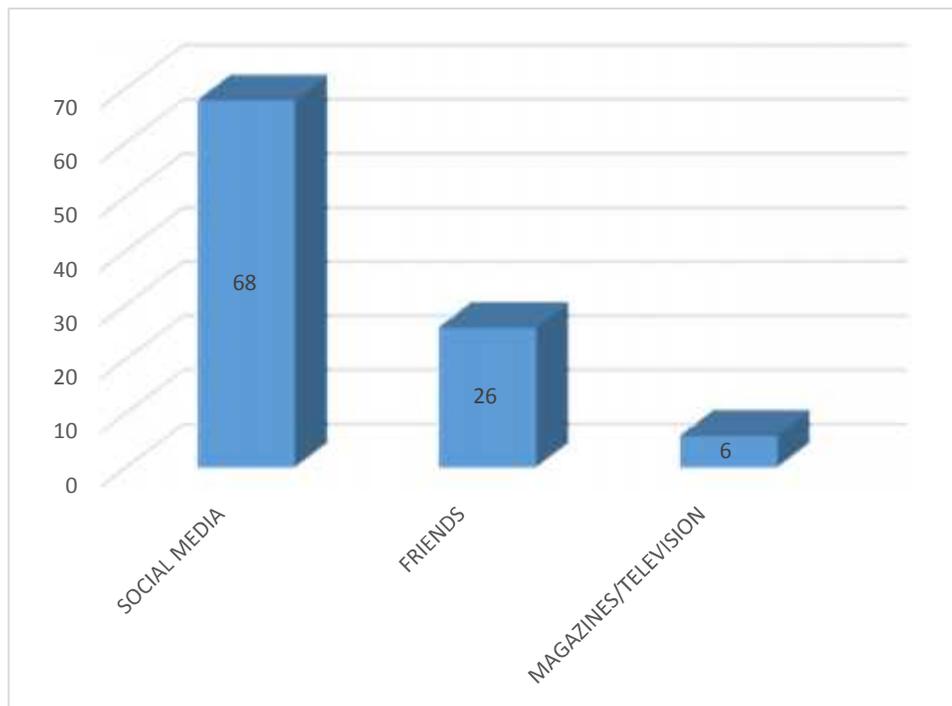
**FIG.2 Classification on the basis of familiarity of e-wallet concepts.**



The above data shows that the 64% of respondents know extremely well about the E-wallet concepts and 36% of respondents know fairly well about the E-wallet concept

### 3. Source of information

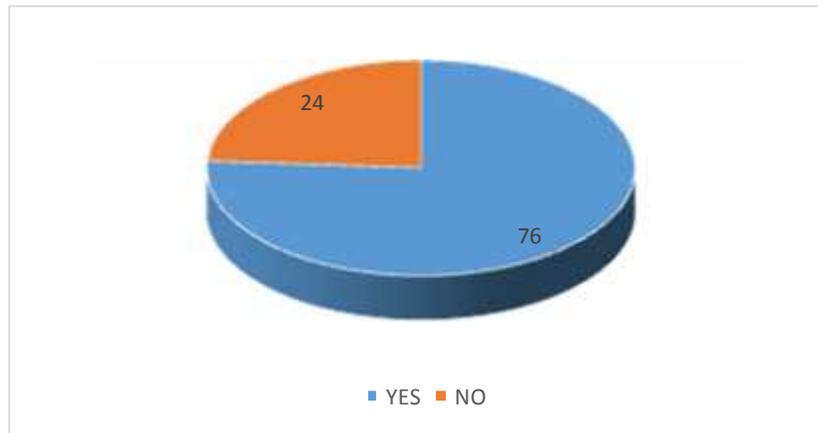
**FIG.3 Classification on source of information.**



The above table shows the source of information regarding E-wallet.68% of respondent are influenced by social media,26% of respondent are influenced by friends and only 6% of respondents are influenced by magazines/television.

#### 4. Usage of e-wallet for financial transaction

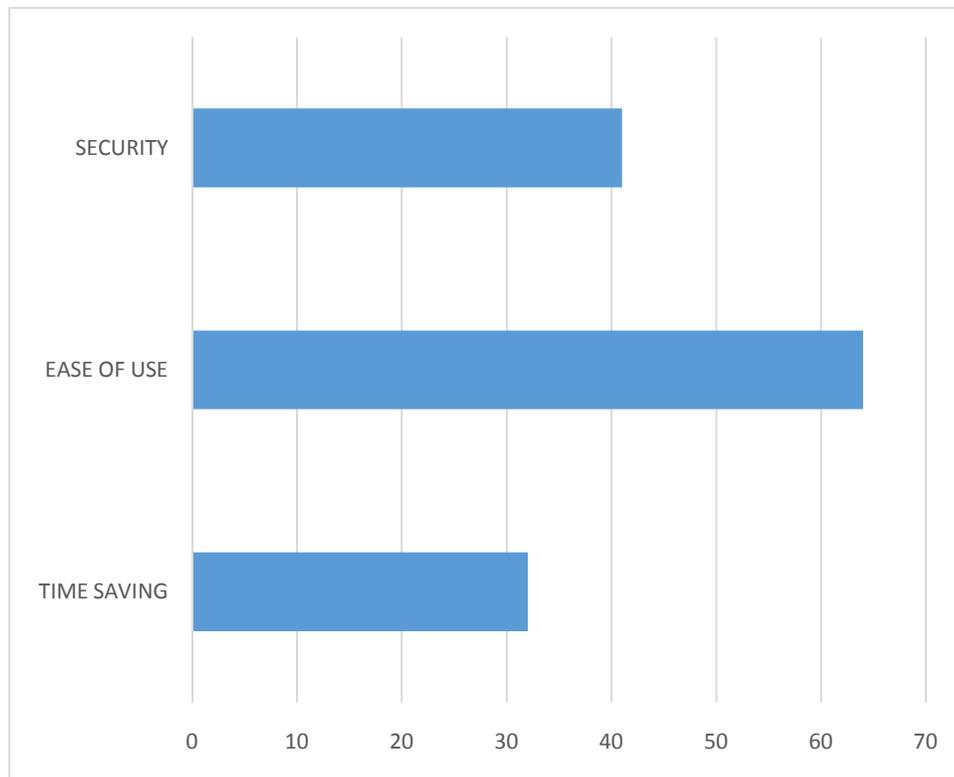
**FIG .4 Classification of respondents on the basis of usage of E-wallet for financial transaction.**



The above table shows the information regarding the usage of financial transaction on E-wallet .76% of the respondents are using E-wallet for financial transaction and 24% of the respondents are not using E-wallet for financial transactions.

#### 5.preference of e-wallet over modes of payment

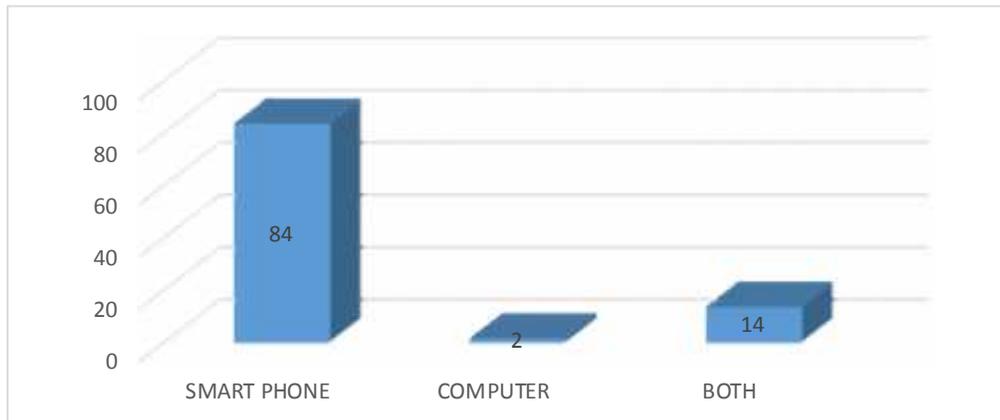
**FIG .5 Classification on the preference of E-wallet over modes of payment.**



The above table shows the information about the respondent's preference of E-wallet over modes of payment. 32% of the respondents are using for time saving, 64% of the respondents are using it for ease of use and 41% of the respondents are using E-wallet because of security.

### 6.E-Wallet Accessing Device

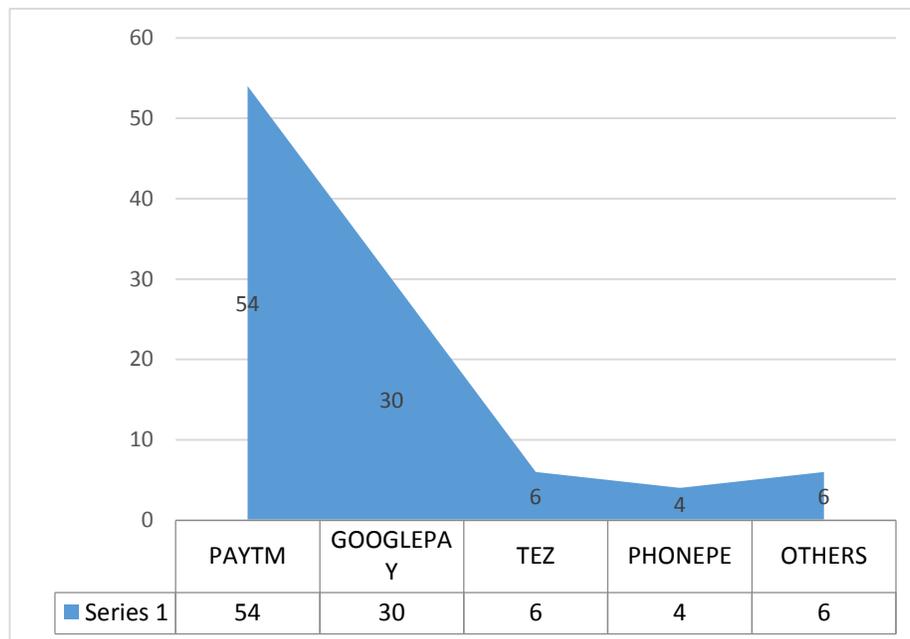
**FIG .6 Classification of the respondents on the basis on which device they use to make E-wallet payment.**



The above table shows the device used by the respondents while making payment through E-wallet. 84% of the respondents are using smartphone, 2% of respondents is using computer and 14% of the respondents are using both smartphones and computers.

### 7. Most Preferred E-Wallet

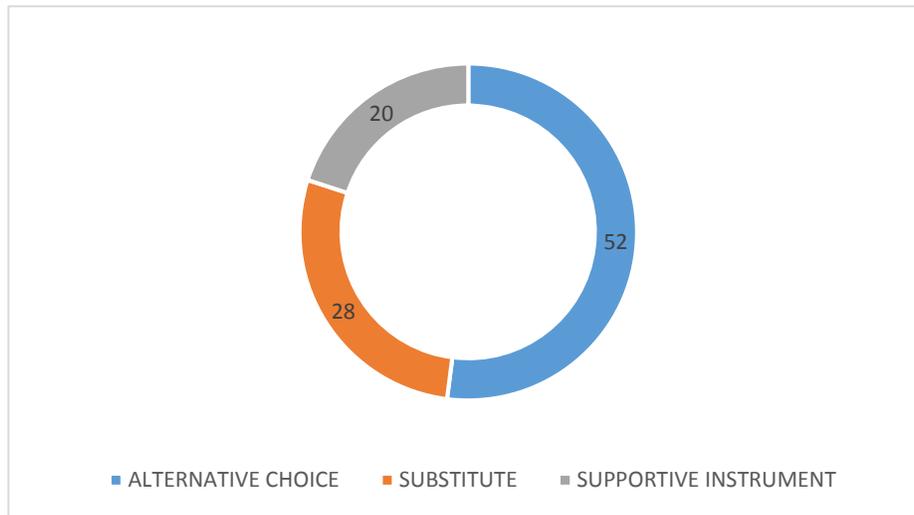
**FIG .7 Classification on the most preferred E-wallet**



This table shows the most preferred E-wallet among the respondents. 54% of the respondents use Paytm as their E-wallet, 30% of the respondents use google pay, 6% of the respondents use tez, 4% of the respondents use Phonepe and 6% of the respondents use other E-wallet like bhim, mobikwik, yono and apple pay.

### 8. E-Wallet Consideration Against other Sort of Payment Methods

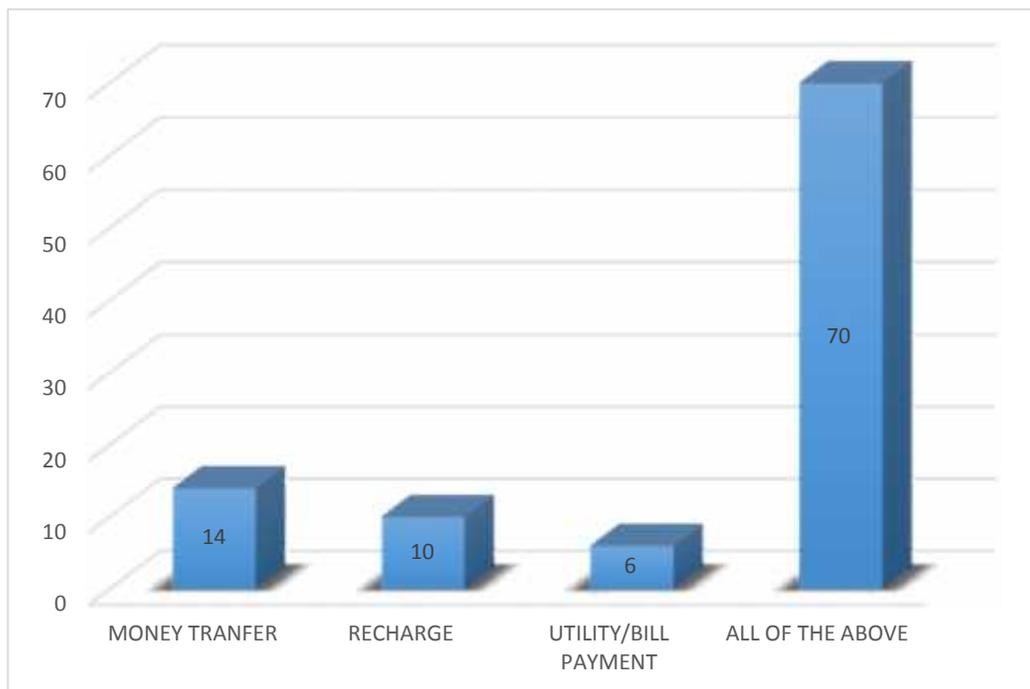
**FIG 8. Classification on the basis of considering E-wallet against other sort of payment methods.**



The above table shows the E-wallet consideration against other sort of payment methods.52% of respondents are considering it as a alternative choice,28% of the respondents are considering it as a substitute and 20% of the respondents are considering it as a supportive instrument.

### 9.Purpose of Using E-Wallet

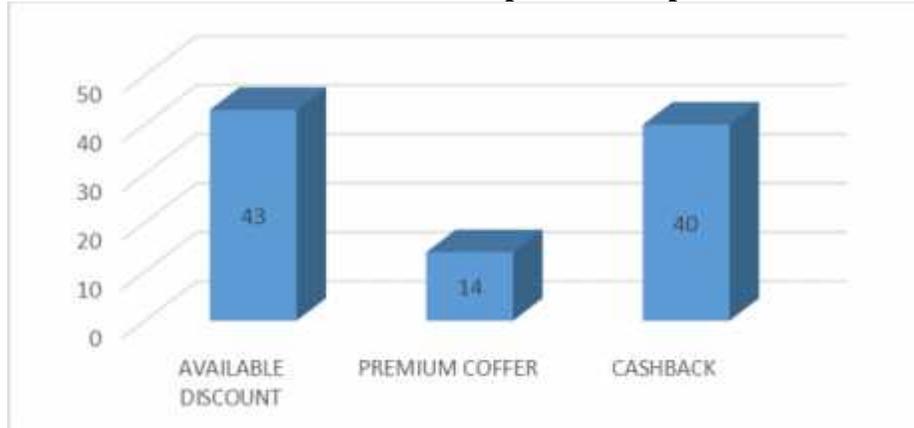
**FIG .9 Classification on the basis of the purpose of using E-wallet**



The above data shows that 14% of the respondents use E-wallet for money tranfer,10% of the respondents use E-wallet for recacharge,6% of the respondents use it for utility and bill payment and 70% of the respondents use E-wallet for the all of the above purposes.

### 10. Analysing About Offers

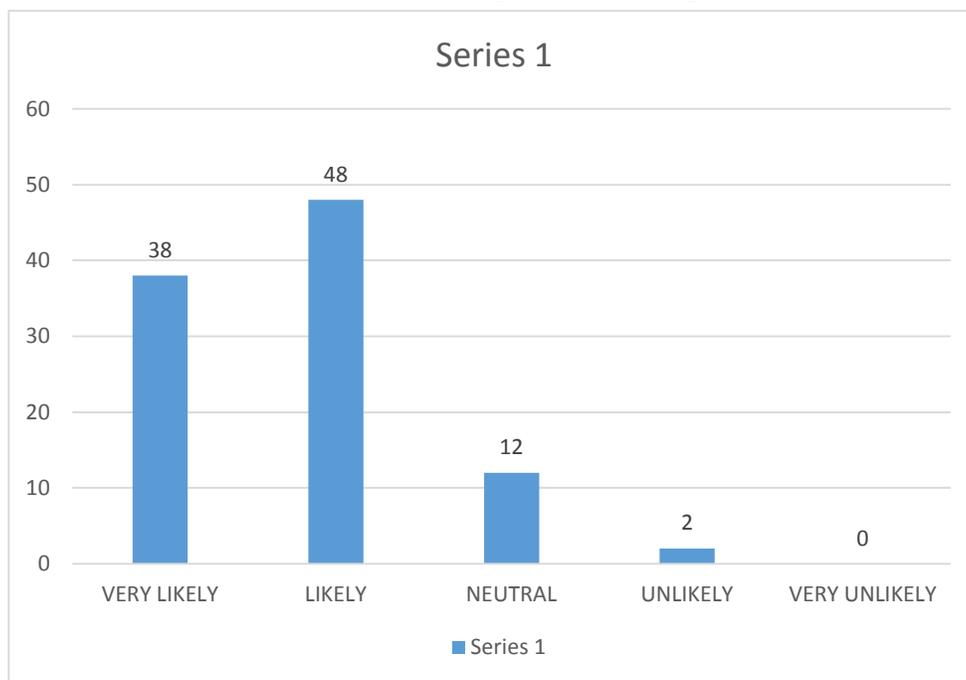
FIG .10 Classification on the basis of what the respondents keep in mind while using E-wallet



The above table shows what respondents keep in mind while using E-wallet.43% of the respondents check the available discounts while using E-wallet,14% of the respondents check the premium offer and 40% of the respondents check whether the E-wallet have some cashback offer.

### 11. Preference For Continuing the Usage of E-Wallet

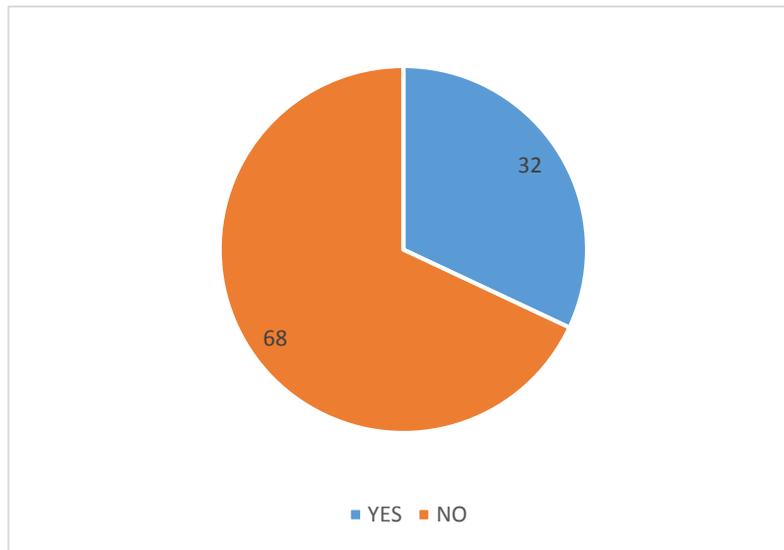
FIG.11 Classification on the basis of whether respondent would prefer to continue using E-wallet



The above table shows the respondents opinion regarding whether they would prefer to continue using E-wallet.38% of the respondents are very likely to continue using e-wallet,48% of the respondents are likely to continue using e-wallet,12% of the respondents are neutral whether to continue or not,2% of the respondents are unlikely to continue, and no one responded to the option of very unlikely to continue using E-wallet.

## 12. Faced any Obstacles

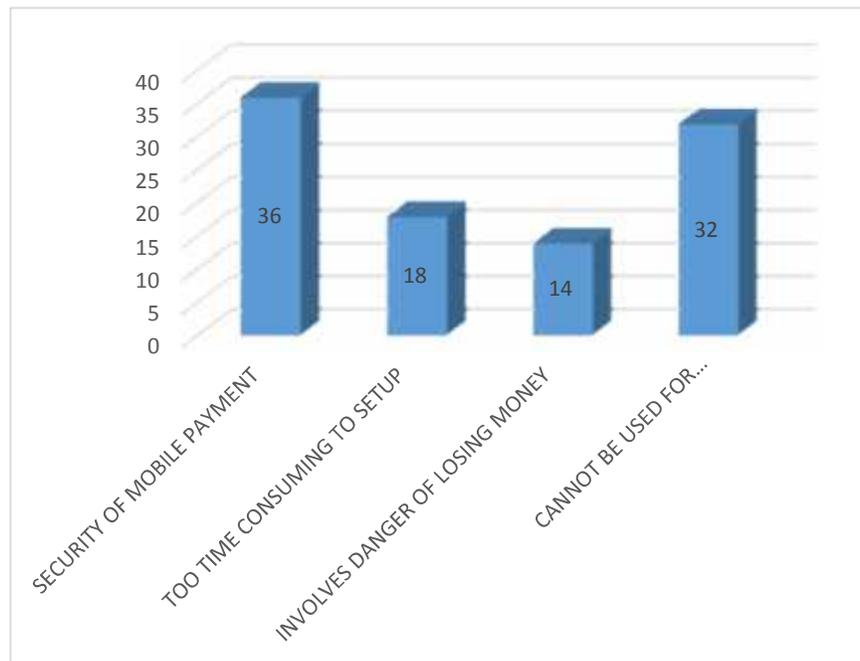
**FIG 12 Classification on the basis of obstacles faced by the respondents.**



The above table shows whether the respondents have faced any obstacles. 34% of the respondents had faced obstacles while using E-wallet and 68% of the respondents are not faced any obstacles.

## 13. Various Obstacles Faced

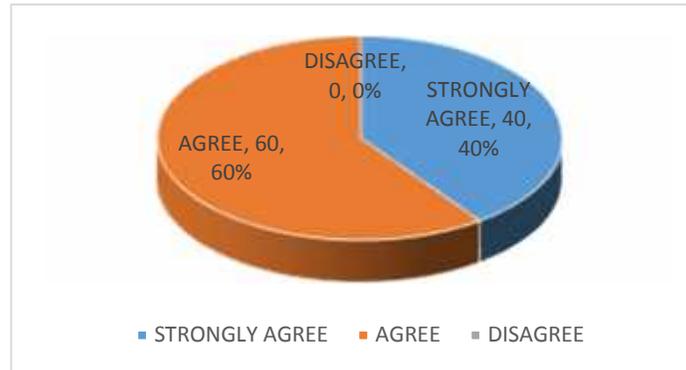
**FIG 13 Classification on the basis of various obstacles faced by the respondents**



The above table shows the various obstacles faced by the respondents while using E-wallet. 36% of the respondents are for security of mobile payment, 18% of the respondent as E-wallet is too time consuming to setup, 14% of the respondents are for involves danger of losing money, and 32% responded as E-wallet cannot be used for international transaction.

#### 14. Useful Mode of Payment

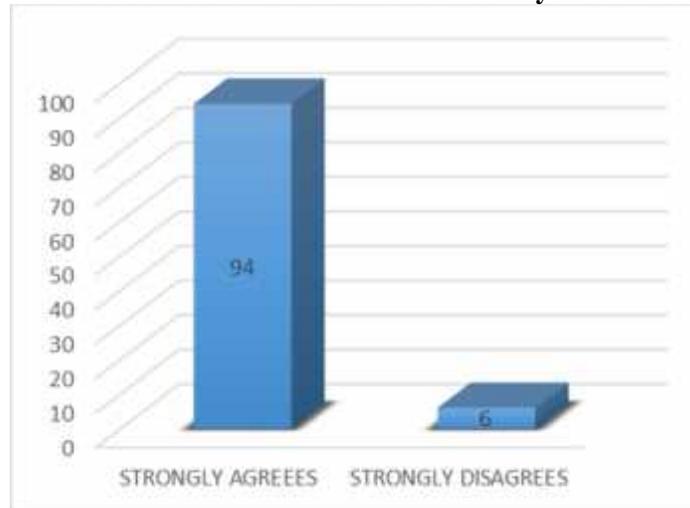
**FIG 14 Classification of the respondents on the basis of E-wallet as a useful mode of payment**



The above table shows whether E-wallet is a useful mode of payment for the respondents. 40% of the respondents strongly agree that E-wallet is a useful mode of payment, 60% of the respondents agree that the E-wallet is a useful mode of payment. And no one disagrees to the statement that E-wallet is a useful mode of payment

#### 15. Security in Transaction

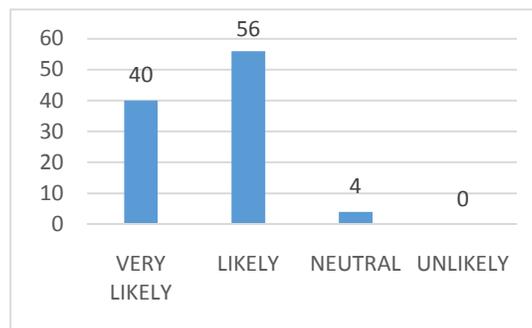
**FIG .15 Classification on the basis of security in transaction**



The above table shows that whether the E-wallet transaction are secured. 94% of the respondents strongly agree that the transactions are secured, and 6% of the respondents strongly disagree that the transactions are secured.

#### 17. Respondents Recommendation

**FIG 3.18 Classification on the basis of whether respondent would recommend others.**





The above table shows that whether the respondents would refer E-wallet to their friends.40% of the respondents are very likely to recommend to other,56% of the respondents are likely to refer to use E-wallet to other,4% of the respondents are neutral to this.

### Findings

- This study reveals that most of the respondents are familiar with the E-wallet concept, and know extremely well about E-wallet
- Social media played an important role in spreading information and influencing the customers.
- Ease of use and time saving are the main reason why people prefer E-wallet.
- Almost all the respondents access E-wallet through Smartphones.
- Paytm and Googlepay are the most preferred E-wallet among the respondents.
- Most of the respondents consider E-wallet as an alternative choice against other sort of payment methods.
- Respondents agree that they use E-wallet for money transfer, recharge, and utility/bill payment.
- Most of the respondents check the available discount and cashback offers while using E-wallet. Most of the respondents are satisfied with E-wallet services.
- Respondents are likely to continue using E-wallet. They agree that E-wallet is a useful mode of payment and they strongly agree that their transaction is secured.
- Respondents are likely to refer E-wallet to others.

### Suggestion

- Magazines/television should provide more information about E-wallet.
- Provide demonstration videos for the customers once they download any E-wallet application.
- Include international transactions.
- Proper customer care system should be provided.

### Conclusion

The study mainly focused on the “EFFECTIVENESS OF E-WALLET” with special reference to Kozhikode city. E-wallet which are considered as a hi-tech platform for money transactions and payments have been perceived to be comfortable and reliable, indicating high levels of acceptance. It is found that the banking system evolved, it became easier, safe and even remunerative to keep one’s money in a bank account and it became still easier and safe to use, transfer money in bank accounts and for making payments.

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