

AN EMPIRICAL ANALYSIS ON CUSTOMER PERCEPTION TOWARDS USAGE OF E-WALLETS

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ABSTRACT

The concept of doing cashless transactions without the use of hard cash is growing with pace. People are becoming more and more aware about using cashless mode of transactions, even for small payments, people these days are switching themselves towards cashless mode of payments. With the continuous development of technology, several payment modes have been developed. It is a fact that the cashless economy is the future of country as the Government of India is continuously step up towards growing up as a Digital Economy. E-wallet refers to a kind of a e-card that can be used for doing transactions online through a device. It serves the same purpose as a credit or debit card. To make payments, an E-wallet must be linked to the individual's bank account. The use of E-wallets is increasing day by day ensuring improved consumers' shopping experiences and shifted the economy toward one without cash. The e-wallets adoption is significantly and favorably impacted by the customer's perception regarding e-payments. This paper aims at assessing customer perceptions toward usage of e-wallets. This study has been undertaken with special reference to Dehradun district. For this study, primary data has been collected through a questionnaire framed from which specific conclusions were formed with the use of appropriate tools for data analysis.

Keywords: Customer perception, Cashless, E-wallets, Digital transactions, Convenience, Satisfaction level

Introduction

Digital technology has transformed life in a different way in recent years. India is developing country. People of our country are becoming aware of using technologies. The use of mobile phone and internet is very common and almost all people are using it. With the initiation of cashless modes of transactions and electronic payments, people generally use these e-wallets for shopping on a day -to-day basis (Ranjith, Kulkarni & Varma, 2021).

E-wallet refers to a kind of account which is prepaid, and in which helps a user to reserve his/her money those transactions which are to be done in online mode in future. An E-wallet is secured with a password. One can pay for petty payments with the aid of an e-wallet (Puranama, 2021). There are two significant components of e-wallet including software and information. Besides the various advantages of using e-wallets, perception of people differs. Some people are early adopters of the technology, some lack trust in these technology enables wallets. Some people feel agitated about fraudulent practices involved and technological glitches while using the e-wallets (Pai, 2018). These issues pose major hurdles for further growth of the cashless modes. Hence, there is a need for service providers to analyse the customer perception regarding the e-wallets they are using, as customer is the king and they decide which product or service will continue to flourish in the market and which will not (Chawla & Joshi, 2019). The major e-wallets available in India are Paytm, Google Pay, Mobi Kwik, Airtel Money, Jio Money, Amazon Pay, etc. Since its introduction over 20 years ago, electronic wallets have risen in popularity. E-wallets enable customers to make purchases, withdraw cash from ATMs, and transmit money from one person to another in a very convenient manner. The use of e-wallets is increasing since 2019, and the coronavirus epidemic is pushing more individuals toward cashless solutions. Nowadays, things around us have changed dramatically because of advances in innovation. Man's serenity and comfort are facilitated by innovation. You can do everything with the help of your smartphone. An e-wallet allows the user the convenience of digitally storing one or more payment methods (Reiss, 2018). The government is quick to provide a consistent experience for making online instalment payments through UPI, which will combine various financial balances and cards into one. As per the reports, versatile wallets are not yet included in the UPI framework. The introduction of UPI may have additional effects on the community that already has undergone enormous change in the past few years. According to information released by the Reserve Bank of India, the decision to use a portable wallet as a transaction method was met with a gigantic explosion (Gupta, 2017). It can be said that with the service of high encryption, e-wallets are considered to be the safe payment method. It is anticipated that in the up-coming years, it will become second most popular among other means of e-payments.

Literature Review

A review of the literature was done to study the previous work done in the related field. A numerous studies have been done for studying the customer perception regarding e-wallets. Some of the recent studied are included here for the present study.

Adil , Hatekar (2020) The adoption of e-wallets is impacted by factors like costs, transaction, security, and acceptability of digital payments methods. It will be very significant if a bank took efforts to make people aware about the adoption of e-payment services. Brahmabhatt (2018) After demonetization, people showed their eagerness to do e-payments via e-wallets which are increasing since then. Awareness is needed to be created among people regarding the usage of e-wallets so as to ensure the establishment of a cashless society. Chawla , Joshi (2019) The important factors including “ ease of use, security and trust put impact on attitude of customer” towards the usage of e-wallets. A significant role is played by trust in determination of security.

Oyelami, Adebisi & Adekunle (2020) According to a study in Nigeria, factors including digital literacy, financial inclusion, services of internet and infrastructure are important for the adoption of digital payments. Podile , Rajesh (2017) Everyone from small tradesman to big businessmen are supporting e-payment solutions. Many customers in the country have adopted electronic payment systems for their day-to-day transactions. Some factors that refrain people from using cashless payments are security issues, poor network problem, lack of knowledge etc. Punwatar, Verghese (2018) The key factors involved in the usage of e-wallets are convenience and ease of use. They are of the opinion that ‘perceived security’ plays a crucial role in consumer behaviour towards adoption of e-wallet services. Ranjith, Kulkarni & Varma(2021)The usage of digital transactions in India is increasing. The most significant factor involved in adoption is the transaction cost and comfort. Security threat refrains them from usage of digital payments.

Reiss (2018) A major role is played by the customer perception in adoption of e-wallets. They also suggested that there should be a proper care to avoid delays in processing of payments. Improvements in Information and technology and reduction in cost of internet also played an important role in adoption of e -wallets. Sumathy , Vipin (2017) Discovered that the increased use of digital payment systems is a result of better customer service and a welcoming environment for customers. E- wallets usage is growing and are admired by people of urban and rural areas as well. Tiwari, Garg & Singhal (2019) The usage intention, usage of new methods and price discounts influence mobile wallets among customers, and they found that government owned platforms are safer for transactions. It was also found that cost was an important in which adoption of e-wallets depend upon.

Objectives of the study

1. To analyse perception of customers regarding the use of e-wallets.
2. To identify the factors influencing the use of e-wallets.
3. To assess the satisfaction level of customers regarding e-wallets.
4. To find out the association between demographics (including age, gender and occupation) and difficulties faced by users of e-wallets.

Research Methodology

Research Methodology followed in the present study is Following are the sources of data collection used for the present study. To get primary data, a structured questionnaire has been framed to collect the same. The collection of secondary data has been done via various books, magazines, journals etc. Respondents of age 18 to 45 years who use e-wallets and belong to Dehradun district were selected as sampling unit. The sample size take for the present study was 100. The technique of sampling used for the survey was Convenience sampling . The data was analysed through MS Excel and SPSS. The tools used in data analysis were Graphical Representation, Frequency Analysis, Chi-Square Test, Analysis of Variance.

Hypotheses of the Study

The hypotheses proposed for the present study are as follows:

Hypothesis 1

H₀ There is no significant association between age and difficulties faced by users of e-wallets.

H₁ There is a significant association between gender and difficulties faced by users of e-wallets.

Hypothesis 2

H₀ There is no significant association between gender and difficulties faced by users of e-wallets.

H₁ There is a significant association between gender and difficulties faced by users of e-wallets.

Hypothesis 3

H₀ Customers are not satisfied with the usage of e-wallets.

H₁ Customers are satisfied with the usage of e-wallets.

Hypothesis 4

H₀ There is no significant difference between occupation and level of satisfaction of users of e-wallet services.

H₁ There is a significant difference between occupation and level of satisfaction of users of e-wallet services.

Data Analysis

Through a well-structured questionnaire, the responses of 100 respondents were collected through to find out their perception regarding use of e-wallets. The analysis is as follows:

	Category	Responses	Percentage (%)
Age	18-25 years	44	44.0%
	26-35 years	30	30.0%
	36-45 years	26	26.0%
Gender	Male	54	54.0%
	Female	46	46.0%
Education	Undergraduate	8	8.0%
	Graduate	59	59.0%
	Post-Graduate	33	33.0%
Annual Income	Less than 1 Lakh	20	20.0%
	Rs. 1 Lakh- 3 Lakhs	32	32.0%
	Rs. 3 Lakhs -5 Lakhs	30	30.0%
	Above 5 lakhs	18	18.0%
Occupation	Service	35	35.0%
	Business	20	20.0%
	Profession	10	10.0%
	Student	35	35.0%

Table 1. Demographic Profile of the Respondents

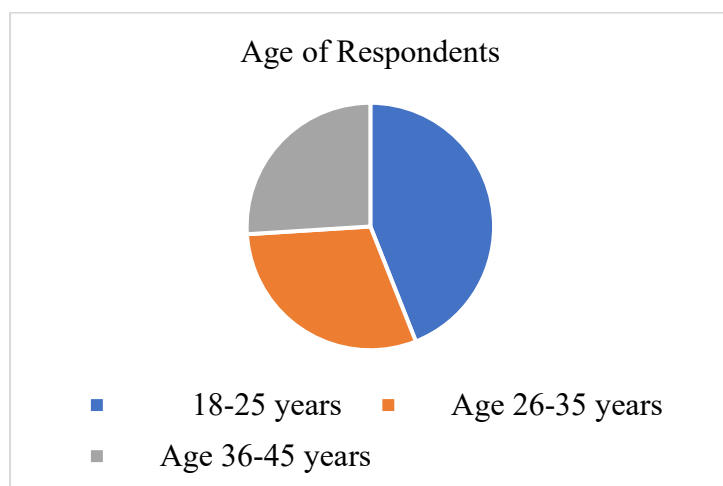


Figure 1. Age of the Respondents

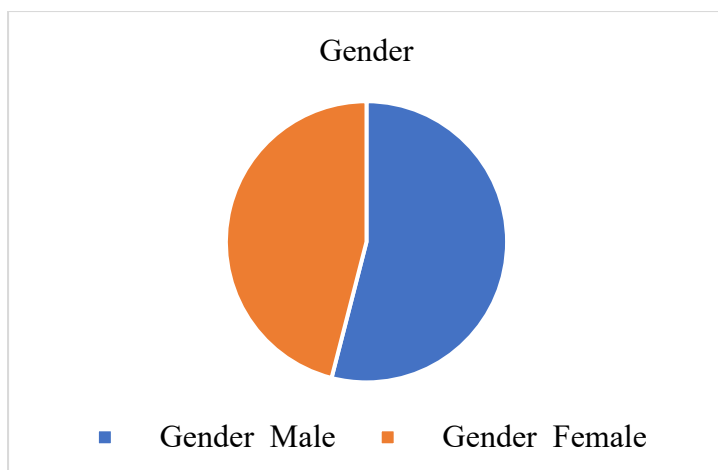


Figure 2. Gender of the Respondents

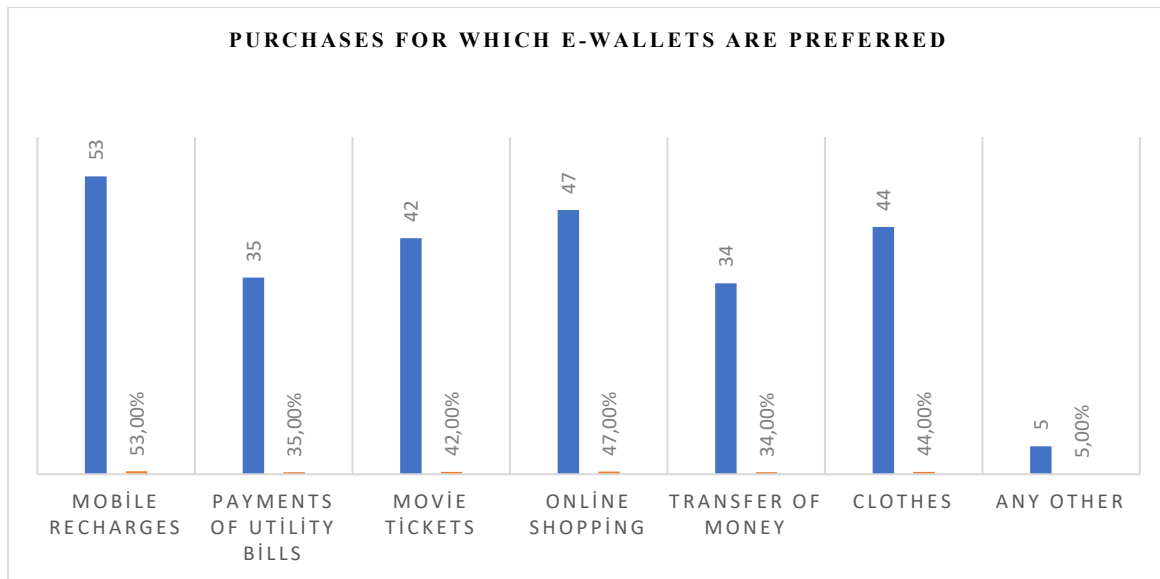
Interpretation:

According to the Table 1, there are three age brackets out of which 44.0% respondents belong to the age group 18-25 years, 30.0% respondents belong to the age group 26-35 years of age, and 26.0% respondents belong to the age group 36-45 years. Taking into consideration Gender, a total of 54.0% respondents were male and 46.0% were female, respectively.

Around 59% of respondents are graduates; and occupation of around 35% respondents is services while 35% respondents are students.

Services/ Product Purchased	Responses	Percentage (%)
Mobile Recharges	53	53.0%
Payments of Utility bills	35	35.0%
Movie tickets	42	42.0%
Online shopping	47	47.0%
Transfer of money	34	34.0%
Clothes	44	44.0%
Any other	05	5.0%

Table 2. Type of purchases for which e-wallets are preferred



Graph 1. Purchases for which e-wallets are preferred

Interpretation:

As depicted in the table 2, it can be said that 53% respondents prefer e-wallets for mobile recharges which is in majority. Around 47% preferred them for doing online shopping and 44% use e-wallets for purchasing clothes.

Particulars	24x7 availability of e-wallet services	Convenience in the use of e-wallets	Easy and comfortable to use e-wallets	Wide Acceptance of e-wallet services	Easy to avail discounts and Reward points by E-wallets
Strongly Agree	59 (59.0%)	62 (62.0%)	60 (60.0%)	62 (62.0%)	59 (59%)
Agree	36(36.0%)	26 (26%)	35 (35.0%)	26(26.0%)	36 (36%)
Neutral	5(5.0%)	12 (12%)	5 (5.0%)	12(12.0%)	5 (5%)
Disagree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0(0.0%)	0(0.0%)
Strongly Disagree	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Table 3. Factors influencing respondents the use of e-wallets

Interpretation:

As per table 3, It is evident that around 60% people strongly agreed that e-wallets are easy to use and 59% of people strongly agree that they use e-wallets because it is easy for them to avail discounts and reward points through e-wallets. Around 59% people strongly agree that they use e-wallets due to 24x7 availability of e-wallet services. 62% people agreed that the convenience affect the usage of e-wallets for them. This shows that the factors which highly influence customers towards use of e-wallet services are convenience, easy availability, wide acceptability and rewards and discounts facilities.

Particulars	Prefer to use e-wallets	Safety of money is a concern	Technical faults are there	Trust is an issue in payments through e-wallets	Concerned about information theft via e-wallets
Strongly Agree	42(42.0%)	42 (42.0%)	44 (44.0%)	42 (42.0%)	43(43.0%)
Agree	31(31.0%)	31(31.0%)	30 (30.0%)	31(31.0%)	30(30.0%)
Neutral	19(19.0%)	20 (20.0%)	17(17.0%)	20(20.0%)	20(20.0%)

Disagree	8(7.0%)	7 (7.0%)	9 (9.0%)	7(7.0%)	7 (7.0%)
Strongly Disagree	0 (0.0%)	0(0.0%)	0 (0.0%)	0(0.0%)	0(0.0%)

Table 4. Factors refraining respondents from using e-wallets

Interpretation:

As indicated in the table 4, it has been found that around 43% of the respondents are of the opinion that they are concerned about information theft while using e-wallets which is a great concern. Similarly, 42% people strongly agree that trust is an issue while using e-wallets. So, Trust and security on e-wallets are major concerning areas to be taken into consideration.

Particulars	Responses	Percentage (%)
Once	0	0.0%
Twice	11	11.0%
Thrice	19	19.0%
More than thrice	70	70.0%

Table 5. Frequency of monthly usage of e-wallets

Interpretation:

As evident from the table 5, it has been found that around 70% respondents use e-wallets more than thrice in a month. Only 11% people use e-wallets twice in a month. So, a majority of respondents are of the opinion that they frequently use e-wallets.

Particulars	Responses	Percentage
Yes	19	19.0%
No	81	81.0%

Table 6. Difficulties faced in using e-wallets

Interpretation:

From the table 6 above, it can be depicted that 81% respondents do not face difficulties while using e-wallets. Only 19% respondents are of the opinion that they face difficulties in using e-wallets.

Age * Do you face difficulties in using e-wallets?				
Crosstabulation				
Count				
		Do you face difficulties in using e-wallets?		Total
		Yes	No	
Age	18-25 years	14	30	44
	25-36 years	1	29	30
	36-45 years	4	22	26
Total		19	81	100

Chi-Square Test			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.703 ^a	2	.008
Likelihood Ratio	11.108	2	.004
Linear-by-Linear Association	4.172	1	.041
N of Valid Cases	100		

Table 7. Chi-Square test on association between age of respondents and the difficulties they face while using e-wallets

Interpretation:

Table 7 depicts that value of chi-square test at degree of freedom 2 is 9.703 and the table value at degree of freedom 2 with at 0.05 is 5.991,value of χ^2 is greater than the table value . So, for hypothesis1, the null hypothesis is rejected and alternate hypothesis is accepted that there is a significant association between age and the difficulties they face while using e-wallets.

Gender * Do you face difficulties in using e-wallets? Crosstabulation				
Count				
		Do you face difficulties in using e-wallets?		Total
		Yes	No	
Gender	Male	14	40	54
	Female	5	41	46
Total		19	81	100

Chi-Square Test			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.659 ^a	1	.056
Likelihood Ratio	3.811	1	.051
Linear-by-Linear Association	3.622	1	.057
N of Valid Cases	100		

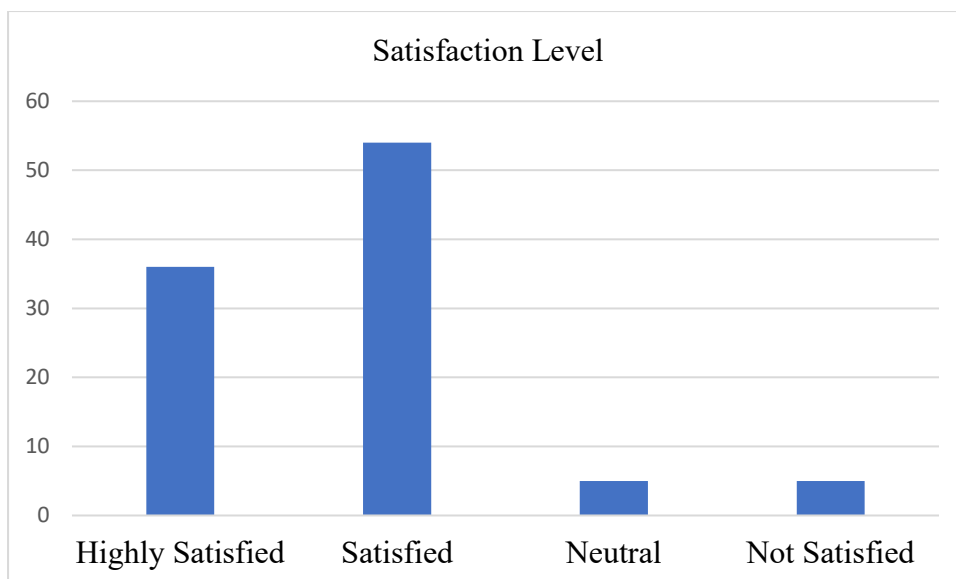
Table 8. Chi-Square test on association between gender of respondents and the difficulties they face while using e-wallets

Interpretation:

Table 8 instructed that value of chi-square test at degree of freedom1 is 3.659 and the table value at df1 at 0.05 is 3.841,value of χ^2 is less than table value. So, for the hypothesis 2, the null hypothesis is accepted and it can be concluded that there is no significant association between gender and the difficulties they face while using e-wallets.

Particulars	Responses	Percentage (%)
Highly Satisfied	36	36.0%
Satisfied	54	54.0%
Neutral	5	5.0%
Not Satisfied	5	5.0%

Table 9. Satisfaction level of the users towards e-wallets services



Graph 3. Satisfaction level

Interpretation:

As per table 9 and the chart above, it can be interpreted that 36% respondents are highly satisfied by the use of e-wallets. On the same point, 54% are satisfied using e-wallets. Only 5% respondents are neutral about this decision, and a few are not satisfied. Hence, null hypothesis for Hypothesis 3 is rejected and alternate hypothesis is accepted that customers are satisfied with the usage of e-wallets.

ANOVA					
How much satisfied you are using e-wallets?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.954	3	.318	.549	.650
Within Groups	55.636	96	.580		
Total	56.590	99			

Table 10. Analysis of Variance (One-way)

Interpretation:

Table 10 shows that the significant value is greater than 0.05 so, for the hypothesis 4, the null hypothesis is accepted that there is no significant difference between occupation and satisfaction level of users of e-wallet services.

Findings

The present study was done the basis of which was a structured questionnaire which was given to respondents belonging to the Dehradun district. A total of 100 questionnaire we found to be filled and finding of the same includes out of 100 respondents 54% are male, and 46% were females. 44% respondents belong to the age bracket 18-25 years, 30% respondents belong to the age group 26-35 years and only 26% of the respondents belong to the age group 36-45 years. Majority of respondents are graduates (around 59%) followed by postgraduates (around 33%) and only 8% of the respondents were undergraduate. Annual income of 32% of the respondents is between 1 lakh to 3 lakh, 30% respondents belong to the category of 3 lakh to 5 lakh and 18% belong to the group of above 5 lakhs. Occupation of 35% respondents is service, 35% respondents are students, 20% of the respondents are engaged in business and 10% are professionals. Majority of respondents (around 53%) prefer usage of e-wallets for mobile recharges followed by online shopping, the percentage of which was around 47%. factors which highly influence customers towards use of e-wallet services are convenience, easy availability, wide acceptability and rewards and discounts facilities. Around 70% respondents use e-wallets

more than thrice in a month. Only 11% people use e-wallets twice in a month. So, most respondents are of the opinion that they frequently use e-wallets. Around 36% respondents are highly satisfied using e-wallets. On the same point, 54% are satisfied using e-wallets. Only 5% respondents are neutral about this decision, and a few are not satisfied. Around 81% of the respondents do not face difficulties while using e-wallets. For hypothesis 1, the null hypothesis is rejected, and alternate hypothesis is accepted that there is a significant association between age and the difficulties they face while using e-wallets in resemblance to a study (Tiwari, Garg & Singhal 2019). For hypothesis 2, the null hypothesis is accepted, and it can be concluded that there is no significant association between gender and the difficulties they face while using e-wallets. Null hypothesis for Hypothesis 3 is rejected and alternate hypothesis is accepted that customers are satisfied with the usage of e-wallets. The result is alike in the study (Rathore, 2016) that digital payment users are satisfied by e-payment services. For the hypothesis 4, the null hypothesis is accepted that there is no significant difference between occupation and satisfaction level of users of e-wallet services. There are some limitations to the study. The present study is based on a sample size of 100 which is small, the results may vary considering large sample size. It was conducted in Dehradun district only. Time and cost constraints were also there.

Conclusion

After this extensive research study, it can be concluded that the usage of e-wallets provides numerous benefits to customers as their day-to day transactions become easier with the introduction of e-wallets. Customers' perception is positive towards usage of e-wallets. There are majority of respondents who use e-wallets because it is convenient for them to use it, easy in its terms as no such technical skill is required to know how to use them as they are in smartphones and their devices. Security and safety issues are there a This shows that people in Dehradun city have already started using e-wallets and this is a great pathway towards the journey of cashless society.

There are many modes of cashless transactions available including, debit cards, credit cards, internet banking, NEFT, RTGS and e-wallets proved to be a new feather in the cap. Now, the success of e-wallet services depends upon how they are going to win the customers' trust in terms of safety and security of transaction as well.

The service providers should check out their services for the want of security of transactions and so that the reasons which abstain customers from using e-wallets may be decreased. Government is continuously stepping towards creation of awareness among people for going cashless and the use of e-wallets is rising still the policy makers should conduct awareness campaign regarding the usage of e-wallet services so that more value can be added to it soon.

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