

Preference of customers for adoption of Mobile Wallets - Post Demonetization Study

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Abstract-

Digital wallets is the best platform to settle& manage all the cashless transaction, and it can play vital role to send and receive money across India. So, using Mobile Wallets is better, to improve your present money shortage situation you can only use M-Wallet money in various fields like shopping, travel booking, taxi booking, and even it was acceptable for few other sites which offer food and other services. A mobile wallet provides an opportunity to change the way consumers manage their money in increasingly convenient and quick ways. A mobile wallet simplifies your shopping experience. It save time to use your mobile wallet than any other method of payment, so it can save you a ton of time at the till. It's also much more convenient to use. It's easy to forget your wallet at home, but most people always remember to bring their phones with them. That means you're always prepared for when you need to purchase something. Digital India and increased use of smart phones and internet are means to exponential growth in use of digital payment. This transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy. In recent days many changes took place in the payment system like digital wallets, UPI and BHIM for smooth digital payment. Before demonetization move in November 2016, cash accounted for 96% of the monetary transactions in the country. The move primarily aims to curb the black money in the economy and making it a "cashless economy". All the transactions would be done through cheques, debit & credit cards, M-Wallet etc., which will curb the corruption in the country. Also, demonization drive by Prime Minister "Mr.NarendraModi" will not only be beneficial for debit and credit card offering banks, but it is also fruitful for M-Wallet companies as well. This will lead to lower lending rates and increased supply of money in an economy. In this research paper, Researcher will study, how demonetization impact on user behaviour or preference towards online payment using Mobile wallets&Preference regarding usage of Mobile wallet for purchasing product/ Services.

Keywords- *M-Wallet, Demonetization, Online payment*

Introduction

Cashless economy refers to the minimization of the use of cash in the economy by promoting cashless products. RBI & government are taking efforts to encourage new variety of payment & settlement facilities for achieving the goal of cashless economy. The main object of cashless transaction is to curb the liquid cash from the economy & increase the transparency in exchange of money. It helps to control the unaccounted money or black money. Cashless transaction have better transparency, scalability & accountability. In cashless economy most of transaction will be done by digital means like debit & credit card, E-banking & digital wallets. In simple words we can say that no physical currency will be used by public in given country. The physical currency is replaced by various no. of digital ways & it is powered by

digital information technology & are transferring money from one person's bank account to another person's. All money transfer products have their own features, qualities & mechanism that work together other devices.

The fearless decision of the Indian government to demonetize all the old currency notes of Rs.500 and Rs.1000 has been a burning factor through the country. People are presently hovering over banks and waiting for their chance to take their daily limit of the amount, and it has been an endless battle for ordinary citizens. This fearless decision of government helped to boost the cashless economy.

Need of the study-

India is fastest growing developing country. It has passing through various transformation since one decade that are responsible for economic growth. Industrialization, International trade, Make in India project, various initiatives are taken by government to improve GDP, Economic growth etc. Besides this the proportion of cashless transaction as compared to various indicators is very low. If we study last 4-5 Years growth of cashless transaction is increased. Demonetization decision coupled with government's initiative to make India a cashless economy is expected to bring a phenomenal transformation in the way people make payments. The preferred mode of payment is expected to change from offline to online. Among the various modes of online payments the mode gaining popularity during present time is M-Wallets. In a nation such as India where larger part of clients still favours Cash-On-Delivery, This generates research interest to study the alacrity of people to use M-Wallets and factors influencing the adoption of M-Wallets including the factors refraining the usage of it, during the post demonetization period.

Brief description about M-Wallets

M-Wallet is a tool of digital payment which is used for transaction made online through computers or online. It is a type of pre-paid account in which a user can store his/ her money for any future on line transaction. M-Wallet needs to be linked with the individual's bank account to make payments. An M-Wallet is protected with a password. With the help of an M-Wallet, one can make payments for groceries, online purchases, and flight tickets, among others. In this study, M- wallets refers to mobile applications that can be used to do financial transaction such as ticket booking, money transfer, merchant payment, bill payment, ecommerce payment etc. There are various types of mobile wallets in India, such as open, semi-open, semi-closed and closed - depending on the type of usage and payments that can be made. Wallets are growing rapidly as they help in increasing the speed of transaction, especially for ecommerce companies and all ecommerce marketplaces have integrated with such mobile wallets.

Paytm is one of the popular M-Wallet which was used by millions of users, and also it has started a campaign called "Paytmkaro" to motivate all the small shopkeepers and other retailers to accept payment through the M-Wallet money.

Amazon Pay is an online payments processing service that is owned by Amazon. Launched in 2007 globally and in India in 2017, Amazon Pay uses the consumer base of Amazon and focuses on giving users the option to pay with their Amazon accounts on external merchant websites, including apps like BigBazaar etc.

Google Pay you can send money to friends, pay bills and buy online, recharge your phone. Since Google Pay works with your existing bank account, which means your money is safe with your bank. There's no need to worry about reloading wallets and you don't need to do additional KYC - which is required for all the other apps.

PhonePe started in 2015 and in just 4 years it has been able to cross the 100 million download mark. From UPI payments to recharges, money transfers to online bill payments, you can do it all on PhonePe. It's got a very good user interface and is one of the safest and fastest online payment experience in India.

MobiKwik is an independent mobile payment network that supposedly connects 25 million users with 50,000 retailers and more. This mobile wallet lets its users add money using debit, credit card, net banking and even doorstep cash collection service, which can in turn be used to recharge, pay utility bills and shop at marketplaces. Owing to the growing need for convenience, MobiKwik has also recently tied up with large and small time grocery, restaurants and other offline merchants. Another unique feature they have is their expense tracker which allows to set budget for your expenses across all payment instruments and it uses your SMS data to analyse and control spends.

Yono by SBI This mobile wallet application was launched by State Bank of India to let users transfer money to other users and bank accounts, pay bills, recharge, book for movies, hotels, shopping as well as travel. This semi-closed prepaid wallet offers its services in 13 languages and is available for non-SBI customers as well. This app also allows its customers to set reminders for dues, money transfers and view the mini-statement for the transactions carried out.

Citi MasterPass- Citi Bank India and MasterCard recently launched 'Citi MasterPass', India's first global digital wallet for faster and secure online shopping. By using this, Citi Bank debit and credit card customers become the first in this country to be able to shop at more than 250,000 e-commerce merchants. It ensures faster checkout with a single click or touch and stores all your credit, debit, prepaid, loyalty cards and shipping details in one place.

ICICI Pockets by ICICI is a digital bank that offers a mobile wallet for its customers. It provides the convenience of using any bank account in India to fund your mobile wallet and pay for transactions. With Pockets, one can transfer money, recharge, book tickets, send gifts and split expenses with friends. This wallet uses a virtual VISA card that enables its users to transact on any website or mobile application in India and provides exclusive deals or packages from associated brands.

HDFC PayZapp is a complete payment solution giving you the power to pay in just One Click. PayZapp lets you recharge your mobile, DTH and data card, pay utility bills, compare and book flight tickets, bus and hotels, shop, buy movie tickets, music and groceries, avail great offers at SmartBuy, and send money to anyone in your phone book.

Demonetization & its Impact-

Demonetization is the act of eliminate a currency unit of its status as legal tender. It occurs whenever there is a change of national currency: The current form or forms of money is pulled from circulation and often to be replaced with new notes or coins. Sometimes, a country completely replaces the old currency with new currency. Demonetization decision was

government's initiative to make India a cashless economy is expected to bring a phenomenal transformation in the way people make payments. The demonetization resulted in tremendous growth in digital payments. With the government initiative such as Digital India and increased use of Smart phones and internet are means to exponential growth in use of digital payment. This transformation towards digital payments benefits in more transparency in transactions which empowers the country's economy. The objective of this research paper is to study the positive impact that Digitization of payment system. Researcher will study, how demonetization impact on user behaviour or preference towards online payment using Mobile wallets & Preference regarding usage of Mobile wallet for purchasing product/ Services.

Customer Behaviour

Consumer behaviour refers as the decision & actions that influence the purchasing behaviour of a consumer. What drives the consumers to choose a particular product with respect to others is a question which is often analysed and studied by Marketers. Most of the selection process involved in purchasing is based on emotions & reasoning. Consumer behaviour is the study of how individual customers, groups or organizations select, purchase, utilise, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. It is the behaviour exhibited by the consumer at the time of taking decision regarding purchase of goods & services. This is the internal behaviour which is never separated from them. It is basically dependent on the psychology, sociology, cultural & economic condition of the consumer. You can understand consumer behaviour by observing his buying process. But it is very known fact that consumer behaviour is difficult to predict.

Determinants of consumer Behaviour

Economic factors	Personal factors	Psychological factors	Cultural & social factors
<ul style="list-style-type: none"> • Personal income • family income • Expectation regarding future income • liquid asset & consumer credit • level of standard of living.- 	<ul style="list-style-type: none"> • Occupation • life style • personality • Age 	<ul style="list-style-type: none"> • Motivation • life style • learning • attitude • perception 	<ul style="list-style-type: none"> • social class • Social groups • Culture • Status

Objectives of study-

- 1) Study the awareness & preference towards adoption of Mobile wallet.
- 2) To identify the determinants of adoption of M-Wallet.

3) To study the impact of demonetization on preference for online payment

Research methodology- Research methodology is used for collection, analysis & Tabulation of data for the research. Data are the key source of any research. It is backbone of every research. The present research paper confines itself that initiative taken by government are significantly effect on use of M-Wallet modes. The study is based on primary data which are based on questionnaire & secondary data which is based on Journals, Magazines, Research papers, Articles & Website. Collected data will be tabulated form which are clearly help to see the impact of demonetization on use of M-Wallet, Customer preference for various modes of payment using M-Wallet.

Sample Size- Sample size is determined by qualitative & quantitative approach. This study was conducted in cotton city Akola which is the part of the western vidharbha of Maharashtra. The sample size of the study was 50 respondents. The respondents were the user of Mobile Wallet

Hypothesis-

H0- There is no significant difference between preferences for various modes of payment.

H0- There is no significant impact of demonetization on usage behaviour on online payment

Data Analyses & interpretation**Demographic Profile of the respondents**

	Categories	Count	Percentage
Age	18-30 years	35	70%
	31-40 years	15	30%
Gender	Male	40	80%
	Female	10	20%

Preference regarding usage of Mobile wallet for purchasing product/ Services

Product/ Services	No. of Respondents	Percentage
Books	2	4%
Movie Ticket	6	10%
Pay bills	12	24%
Recharge Mobile	18	38%
Transfer Money	12	24%

Impact of demonetization on usage behaviour towards online payment

Statement	Frequency	Percentage
I did not make online payment before demonetization; I started making it after demonetization	35	70%
I would make online payment before demonetization also; but I increased its frequency after demonetization	08	16%
I would not make online payment before demonetization; I am also not making it after demonetization	03	6%
I would make online payment before demonetization also; I am making it after demonetization with same frequency as before	04	8%
Total	50	100%

Source- Primary Data

Significant percentage (70%) respondents have started making online payment after demonetization drive. Further 16% respondents have increased the frequency of making online payment particularly after demonetization. Thus demonetization has contributed immensely towards awareness, usage and acceptance of online payment. In case of 8% respondents there is no change in frequency of making online payment after demonetization.

Factors affecting the use of M-Wallet

Attributes	frequency	Percentage
Security	40(yes)	80%
Privacy	35(yes)	70%
Transaction done easily from anywhere	45(yes)	95%
Discount offer	45(yes)	95%

Overall preference for adoption of M-Wallets

Particulars	No. of respondents	Percentage
High	20	40%
Low	30	60%

Chi-Square Test on association between preferable products/Services by the Respondents and their opinion about overall usage of Mobile payments

Preference regarding usage of Mobile Wallets for buying product & services	Overall usage of Mobile Wallets			Statistical Inferences
	High(14)	Low(26)	Total(40)	
Books	1	1	2	The Chi-square statistics is 3.541. The p-value is .4716. The result is not significant at $p < .05$
Mobile ticket	4	1	5	
Pay bills	3	6	9	
Recharge Mobile	2	8	10	
Transfer money	4	10	14	

Research hypothesis: There is a significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

Null hypothesis: There is no significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

Findings: The above table reveals that there is no significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

Hence, the research hypothesis is rejected and the null hypothesis is accepted Research hypothesis: There is a significant association between age of the respondents and their opinion about the usage of Mobile wallets.

Major findings

- 1) Transfer money through Mobile Wallet is the highest preference of customers through M-Wallets.
- 2) Demonetization played a very vital role towards awareness, usage & acceptance of online payment.
- 3) Most of people assume (95%) transaction done from anywhere & Discount offers by Mobile-Wallet.
- 4) There is no significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

Limitations of Study-

- 1) The main limitation of this study will be small sample size.
- 2) The conclusion drawn in the study cannot be stated as universally acceptable.

Conclusion –

Digital India is the flagship programme of the Government of India. It was launched on 1st July 2015 by Prime Minister Narendra Modi, with a vision to transform India into a digitally empowered society and knowledge economy. “Faceless, Paperless, Cashless” is one of the

professed roles of Digital India. Major progress towards this goal was made in late 2016, when the government took steps to demonetize the country. M- Wallet contributed immensely for digital payment.

- 1) The study examines the effect of adopting M-Wallets payments impact on consumers of the banking sector of India.
- 2) The result put together gives us an important policy direction towards what can enable the country to increase cashless payments.
- 3) M-Wallets are rapidly gaining acceptance as a mainstream mode of payment and in near future it will garner significant share as a mode of payment for sure going online as well as offline business.
- 4) This Study indicated that main reasons for low preference of M-Wallet as mode of payment are tendency of people to do not move out of comfort of using traditional mode of payments, privacy concerns and threat to security M-Wallet users give very high level of importance to attributes like security, privacy concerns and pricing (Fees).
- 5) The major problems frequently encountered by the 20% to 30% respondents while using M-Wallets for processing the transaction, security breach and delayed payment Demonetization drive of government of India has contributed immensely towards awareness, usage and acceptance of online payment. Future of M-Wallets seems promising. The results indicate that the deployment of technology for digital payments have improved the performance of banking sector and able to achieve the motive cash less country. The study gives emphasis to the percentage of awareness on maximum utilization of technology.

Suggestions

- 1) There should be different operability between different wallets.
- 2) The mobile wallets companies should introduce the credit facility for honest customer
- 3) The use of Mobile Wallets are still very slow in use. M-Wallet companies should promote its M-Wallet product through marketing & advertising campaign.
- 4) Banks should take effective measures in creating awareness towards the effective usage of technology and security

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