

## **A Study on Consumers Acceptance of Mobile Wallet with Special Reference to Durg/Bhilai**

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### **Abstract**

The growing importance of technology and mobile together has recently marked their presence felt in financial transactions in the recent times. In today's era, smartphone has become essential part of daily life. Today the facility of speedy, secure and smart financial transactions is supported by the concept of "Mobile Wallet". It has assisted the needs of business owner and customer on a same go. The complexity of money transactions forces and also promotes the usage of mobile wallet in today's era. The paper aims to explain the application and usage of wallet money endorsed by different companies and various factors that affect the consumer's decision to adopt mobile wallet and various risks and challenges faced by the users of mobile wallet. A structured questionnaire was prepared and data were collected from 150 respondents and factors affecting the usage of mobile wallet were analyzed by using ANOVA to get the statistical result from data collected.

**Keywords:** Mobile Wallet; Smartphone Users; Mobile Payment, E-business

## 1. Introduction

Information Technology sector in India is making progress what was expected 30 years back. The new India is tech-savvy. India has been experiencing exponential growth in the area of digital payment. With ever increasing internet and mobile penetration, the country is all set to witness a massive surge in the adoption of digital payments in the coming years. Furthermore, government initiative such as Digital India is acting as key catalysts and enabler of this transformation.

Nowadays, the domain of ICT (information communication technology) through mobile communication creates a new system of mobile wallet. Businesses aspire for continuous growth and sustainability in their performances. Thus, the creation and introduction of mobile wallet opens up new avenues of business areas to excel and grow. This act of technological advancements will help in creating smooth and steady business transactions. The ever-growing complexity in business transactions (payments and receipts) led to the creation and development of various business models and processes in operational activities. The facilitating feature of mobile telecommunication provides applications that support difficult free business transactions. This function supports their customers to transfer their payments with the usage of their mobile phones in the easiest way. Now a day's mobile technology throughout the world is growing as a supporting tool in exchange of financial services. Mobile wallets came into existence about five years back and have shown its speedy acceptance and popularity on a high pace in commercial world. In recent years, it is seen as the most widely accepted digital payment mode—due to its simplicity and security features. At present, in India there are about 140-150 million mobile wallet users—representing a figure of about seven times the number of credit cards issued in India. According to the reports of Reserve Bank of India (RBI), there are about 21 million credit card users in India (till March 2015).

The objective of this research paper is to analyze the usage of mobile wallet by users for which respondents were categorized on the basis of, age, occupation, mobile wallet features of security and convenience.

## 2. Literature Review

With the advent of technology, consumers have an enormous array of payment modes (Pulina, 2011; Soman, 2001, 2003; Srivastava & Raghubir, 2008;) which facilitates payment for transactions by being more convenient, acceptable and accessible (Soman, 2001).

Previous studies suggest that there is a general consumer interest towards using mobile payment applications (Dewan & Chen, 2005; Kreyer et al., 2003). The initial adoption of mobile payments has not, however, been as rapid or widespread as expected (BIS, 2004). Different factors are there which affect the adoption of digital wallets as a payment medium such as trust, convenience of use, substitute of cash based payment and many more (Padashetty & SV, 2013).

ThaeMin Lee in his paper **“The impact of perceptions of interactivity on customer trust and transaction intentions in mobile commerce”** (2005) investigated the impact of perceptions of interactivity on consumer trust and transactions in mobile commerce and concluded that trust does in fact play a significant role in determining consumer transaction intentions.

Hsin-Hui Lin and Yi-Shun Wang in their paper **“An examination of the determinants of customer loyalty in mobile commerce contexts”** (2005) examined the factors that contributed to customer loyalty in mobile commerce; perceived value and trust were found to be directly related to customer satisfaction and customer loyalty; customer satisfaction was also suggested to positively affect customer loyalty; and habit was proposed to determine customer loyalty. They also found that customer loyalty was directly affected by perceived value, trust, habit, and customer satisfaction. Customer loyalty was evaluated to be a strong determining factor in acceptance of mobile commerce. Rajesh Krishna Balan, Narayan Ramasubhu, Giri Kumar Tayi (2006) in their research paper **“Digital wallet: Requirement and challenges”** have identified about Singapore's use of digital wallet and analyzed the key challenges in building and deploying a digital wallet.

Dr. Hem shweta Rathore in her research paper **“Adoption of Digital wallet by consumers”** have analyzed about the factors that influence consumers in adoption of digital wallet and also analyzed the risk and challenges faced by consumers in usage of digital wallet and concluded that shoppers are adopting digital wallet largely due to convenience and ease to use and in the future years digital wallet will gain more widespread acceptance

## **2.1 Mobile Wallet**

Mobile wallet, also referred by other names like mobile money, mobile money transfer, and mobile payment generally represents a payment services operated under financial regulation and are performed from or via a mobile device. In other words, mobile money transfer refers to any method of monetary exchange that utilizes the facility of a mobile device with authorized support facility and conformance to defined and explained legal policy. With this service, a person may not wish to use the ongoing ways of payments like cash, cheque or debit/ credit cards. It enables users to confidentially secure their personal information and financial records like Cards details and many more in an organized manner and is handy on their smart phone. It allows users to view the cards and select card type for a transaction along with the payment method. It further facilitates other commerce related features like coupons cash back etc that acts as additional features to be redeemed in future by customers to stay connected with the company.

## **2.2 Different Types of E- Wallets**

According to Reserve Bank of India, four kinds of Wallet money are there i.e. open, semi-open, closed and semi closed.

- a) **Closed Wallet**: A closed wallet is that wallet which a company issues to its customer for their usage related with household goods and services only. It is an account where money may get credit in a case of refund due to return or cancellation. Several online shopping portals like FlipKart, Jabong and MakeMyTrip offer such type of Wallet. Closed Wallet does not permit the advantage of cash withdrawal or redemption.
- b) **Semi- Closed Wallet**: According to Reserve Bank of India, Semi Closed Wallet is a Wallet that can be used for purchase of goods and services, including financial services. This type of wallet is used at a particular location or at the time of contract with the issuing company to accept this type of payment instrument. These instruments do not carry the facility of withdrawal or redemption by the holder. Rather it allows buying of goods and services at listed merchants and performing financial services at particular listed locations. Paytm, and MobiKiwi offers semi closed Wallets.
- c) **Open wallet**: We can use open wallet for purchase of goods and services, including financial services such as funds transfer at merchant location or point of sale that accepts cards, or business correspondents. This kind of wallet can only be issued by banks. In another words, Open Wallet

allows you to buy goods and services, Withdraw cash through ATMs or banks and transfer funds. M-Pesa by Vodafone through ICICI is one of the examples.

- d) **Semi-open wallet**: Semi- open wallet allows the customers to perform the transactions with merchants that have a contract with a specific service provider. For example - Airtel Money

### **2.3 Famous Digital Wallet**

a) **Airtel Money**

With the Airtel Money app, users can easily recharge prepaid accounts or pay postpaid bills. You can also shop online if your digital wallet has cash loaded in it. It's also extremely safe as every transaction or payment you make requires a secret 4-digit mobile wallet Pin.

b) **Jio Money**

JioMoney, launched recently in 2016 by Jio, is a digital payment app. With JioMoney, one can receive great discounts and offers. Users can also bookmark their frequently visited retailers so shopping can be made quicker than usual.

c) **Paytm**

Paytm, launched in 2010, is currently the largest mobile wallet app in India. With payments via Paytm being accepted almost everywhere; it's hard not to simply switch to it completely. From paying mobile bills to buying movie tickets, there's almost nothing you can't do with Paytm

d) **Ola money**

Ola Money, launched in 2015, is a digital wallet in India offered by Ola. While it's majorly being used to make payments for Ola cab rides, making cashless traveling a dream come true, it can also be used to buy groceries or flight tickets and much more.

e) **Freecharge**

Freecharge, one of the most famous names right now when it comes to digital payment is known to target the youth in all their promotions. With equivalent amount of coupons given for every recharge you make, it's a great option to save while paying your bills online

#### **2.4 Advantages of Mobile Wallet:**

Mobile wallet is a growing financial instrument in today's global era. It plays a very vital role in economic prosperity by its association with banks and various companies, who promote mobile wallet. Mobile wallet money is very important in field of global business like, banks, customers and companies. It is lowering the cost as purchase made in stores now a days do not require cash as purchasing process is being made simple by just tapping on the mobile device. It is the most convenient form of purchase as it is helping the consumers not only to pay but offers like cash back is making them earn money too.

#### **2.5 Scope of Mobile Wallets**

Mobile wallet is playing a significant role in life of common people as the changing lifestyle promotes digital convenience and speedy access. In the future time mobile wallet will be seen in every sphere of business as it mingles value-added services that go ahead of just payment support function. Moreover, experts believe that mobile wallets will become a latest marketing channel in near future. They are seen to contribute highly in shopping experience for the customers that increase their tendency for frequent and more repurchases with delightful experiences. The added facilities are perpetuated to provide access loyalty points or automatically receiving the digital copies of payment receipts by customers. The benefits drawn from mobile wallets are promoting new brand presence and experience for customers

### **3. Research Methodology**

This study is based on primary data collected from 150 respondents in Bhilai/Durg city with the help of structured questionnaire. ANOVA was used to get the statistic result from respondent.

#### **Analysis & Interpretation**

**Table 1: Demographic Analysis**

Basics	Category	No of Respondents	Percentage
Age	Up to 20	45	30
	20-29	40	26.67
	30-39	35	23.33
	40-49	20	13.3
	Above 50	10	6.7
Gender	Male	90	60
	Female	60	40
Monthly Income	Below 10000	20	13.3
	10001-20000	80	53.3
	20001-30000	30	20
	Above 30000	20	13.3
Occupation	Student	5	3.3
	House-wife	15	10
	Self-employed	20	13.3
	Employed	100	67
	Retired Person	10	6.7

#### **Interpretation:**

It is concluded from the table about the Demographic Characteristic that out of the total respondents 30 % of the respondents are in the age group up to 20 years and 26.6% of the respondents are in the age of 20-29 years. 60% of the respondents are male and 40% of the respondents are female; 67% of the respondent's occupational status is employed; 53.3% of the respondents belong to the monthly income of Rs.10001-20000 and 13.3% of them belong to below 10000 monthly income.

**Table-2: Data Analysis between Mode Of Online Payment And Various Age Groups**

<b>Mode of Online Payment</b>		<b>Sum Of Squares</b>	<b>DF</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>
Net Banking	Between Group	1.387	4	.327	.423	.798
	Within Group	99.231	146	.773		
	Total	100.618	150			
Mobile Banking	Between Group	1.657	4	.367	.196	.941
	Within Group	252.978	146	1.990		
	Total	254.635	150			
Mobile Wallet	Between Group	9.800	4	2.080	2.335	0.065
	Within Group	115.698	146	.978		
	Total	125.498	150			

**Interpretation**

Significant level in relation to the online payment and the age group related to mobile wallet is .065 which is above .05 and therefore there is no significance difference between the age group and the mode of payment.



**Table 3: Data Analysis Of Various Factors That Affect The Selection Of Mobile Wallet As A Mode Of Payment With Reference To Different Age Group**

<b>Mode Of Online Payment</b>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Significance</b>
<b>Privacy</b>	Between Group	<b>.456</b>	4	<b>.115</b>	<b>.790</b>	<b>.789</b>
	Within Group	<b>22.237</b>	146	<b>.151</b>		
	Total	<b>22.693</b>	150			
<b>Security</b>	Between Group	<b>.645</b>	4	<b>.168</b>	<b>1.089</b>	<b>.410</b>
	Within Group	<b>22.456</b>	146	<b>.150</b>		
	Total	<b>23.101</b>	150			
<b>Ease of Use</b>	Between Group	<b>2.093</b>	4	<b>.634</b>	<b>2.879</b>	<b>.099</b>
	Within Group	<b>40.203</b>	146	<b>.361</b>		
	Total	<b>42.116</b>	150			
<b>Convenience</b>	Between Group	<b>4.567</b>	4	<b>.988</b>	<b>3.890</b>	<b>.019</b>
	Within Group	<b>40.082</b>	146	<b>.268</b>		
	Total	<b>44.649</b>	150			
<b>Transaction/ Service fees</b>	Between Group	<b>2.761</b>	4	<b>.690</b>	<b>1.987</b>	<b>.170</b>
	Within Group	<b>59.625</b>	146	<b>.598</b>		
	Total	<b>62.386</b>	150			
<b>Usefulness of Digital wallet</b>	Between Group	<b>3.567</b>	4	<b>.835</b>	<b>3.644</b>	<b>.005</b>
	Within Group	<b>27.138</b>	146	<b>.201</b>		
	Total	<b>30.705</b>	150			
<b>Brand Loyalty</b>	Between Group	<b>3.850</b>	4	<b>.956</b>	<b>2.895</b>	<b>.064</b>
	Within Group	<b>56.052</b>	146	<b>.405</b>		

	Total	<b>59.902</b>	150			
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### **Interpretation**

From the above table it is clear that convenience in buying products online and usefulness of digital wallet is below .05 so it can be concluded that there is statistical difference between age group and mode of payment

**Table-4: Data Analysis On Customers Opinion On Usage Of Mobile Wallet**

Basis		Sum of Squares	Df	Mean Square	F	Significance
<b>Alternative choice of payment mode</b>	Between Group	<b>16.068</b>	4	<b>4.123</b>	<b>4.621</b>	<b>.009</b>
	Within Group	<b>135.256</b>	146	<b>.990</b>		
	Total		150			
<b>Substitute of cash based payment</b>	Between Group	<b>4.101</b>	4	<b>.895</b>	<b>.610</b>	<b>.789</b>
	Within Group	<b>201.985</b>	146	<b>.150</b>		
	Total		150			
<b>Support of existing payment method</b>	Between Group	<b>.669</b>	4	<b>.230</b>	<b>.390</b>	<b>.890</b>
	Within Group	<b>58.968</b>	146	<b>.489</b>		
	Total		150			
<b>Not necessary</b>	Between Group	<b>.345</b>	4	<b>.080</b>	<b>.179</b>	<b>.989</b>
	Within Group	<b>59.690</b>	146	<b>.450</b>		
	Total	<b>44.649</b>	150			

### **Interpretation**

Mobile wallet can be an alternative choice between the customers of Durg and Bhilai as it is below the table value of .05 therefore it is concluded that there is a significant difference in mean between the dependent and independent variable.

### **4. Findings**

- It is clear that mobile wallet will alter the other modes of online payment in future
- The users of mobile wallet are much satisfied on its usage
- Factors like brand loyalty ,convenience of shopping plays an important role in adoption of mobile wallet
- Security and safety of funds plays a challenging factor for the users

### **5. Conclusion**

The presence of mobile wallet is spreading from urban to rural areas on a large scale. Hence, wallet money sees a high bright future in near time. High penetration will be seen in small businesses with rural as well as urban areas as it facilitates less cash management and larger customers. The ease of transactions, secured profile, and convenience in handling applications put forth the benefits of wallet money in today's time. Many business sectors like banking, retail, hospitality etc. are making use of this wallet money and are expected to extend their visibility in other areas of businesses. The mobile wallet covers a variety of mobile payment instruments including: contactless and remote payments in the Customer-to-Business (C2B) and Consumer-to-Consumer (C2C) areas.

## **6. Referances**

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