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Users Perceptions and Problems on Mobile Wallet Payments – A Study in Visakhapatnam City

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Abstract

The study analysed the perceptions and problems on mobile wallet payments. In recent times, wide usage of mobile wallet payments is witnessed in India, particularly in urban areas. While users' base increases, there is a chance of increased problems related to mobile wallets. Server down, low internet connectivity, incomplete & delayed payments are the major problems related to usage of mobile wallets. In spite of these problems, majority of the respondents responded positively to the usage of mobile wallets.

Keywords: Mobile Wallet, Mode of Payments, Users Perception

Background of the Study

India has undergone a tremendous change since centuries in terms of evolution of money. It goes right from the barter system dated back to 6000 BC introduced by the Mesopotamia tribes to the 6th century to fixed weight and value metal coins like gold and silver to the usage of currency and progressing to present-day digital transactions further preceding to virtual currency, thus moving from cash to a cashless society.

Smart phone has become a way of life and its sustainability for all the sects of life. Digital transactions grew more since demonetization by Prime Minister Narendra Modi in the year 2016. Excessive usage of smart phones and easy internet accessibility has also paved a way for the intense use of digital payments. As quoted by Narendra Modi “India is uniquely positioned to leap ahead in the information era. We have the best minds as well as the biggest market. Our local tech solutions have the potential to go global... it is time for tech solutions that our design in India but deployed for the world” in his virtual address to Bengaluru tech summit 2020.

Banking cards, unstructured supplementary servicedata[USSD], Aadhaar enabled payments systems [AEPS], unified payments interface[UPI], wallets, bank prepaid cards, point of sale[POS] terminals, internet banking, mobile banking, micro ATMS as part of “Digital India” initiative are few of the cashless, faceless, and paperless transactions. India has maintained the top spot in the world with 25.5 billion real time payment transactions (Abhinav Singh, 2021). According to the RBI Digital Payments Index, the digital payments grew 30.19 percent during the year ended March 2021, which reflects the deepening of usage of the cashless transactions in the country. “The RBI-DPI index has demonstrated significant growth in the index representing the rapid adoption and deepening of digital payments across the country in the recent years” the RBI said.

In recent times UPI played an important role in individual retail payments. According to the national payments corporation of India the number of banks that lived on UPI in September 2021 are 259 and the UPI transactions value have reached to 6,54,351.81 crores. mobile wallet payments roped 21.5% of the transactions in 2020 according to the data by trading platforms.com. There is need for examine the user perception and problems associated with UPI payments since it is the growing payment option among the households in India. There are few studies conducted in India on digital payments, they found that usage of digital payments is independent to the gender, age, profession and annual Income (Shamsher.S 2017, Sumathy.D et al. 2016).

The present study analysed the users’ problems and perceptions of the mobile payments.

Objectives of the Study

The general objective of this paper is to analyze user perception on mobile wallet payments in Visakhapatnam city

The following are specific objectives of the study

1. To find out the prefer mode of payment options among the respondents who are having mobile wallet
2. To assess the problems of Mobile wallet payments faced by respondents
3. To understand the respondent’s perception towards the cash payments and Mobile wallet payments

Methodology

Area of the Study

Visakhapatnam city is selected for the purpose of this study due to the fact that it is the largest and an emerging city in Andhra Pradesh where we can find diversified population due to the existence of the central and state organizations. We can also find large section of population living in unorganized sectors.

Data Collection and Sampling

For this study 300 pre-tested online questionnaire have been sent to respondents who are having mobile wallets by using google forms. 192 completed responses were received out of 300. These responses include 112 from the male and 80 from the female, it also included different section of respondents like private, government employee, self-employee, unemployed and students.

Data Analysis

For data analysis with considerations to the nature of the data and study requirements following techniques selected and employed.

Percentage Analysis

By grouping data by the total number of observations, a percentage frequency distribution analysis is performed to express the relative frequency of survey responses. The overall profile of the respondents and their social economic background were given using percentage analysis in the current study

Likert Scale

Five-point Likert scale from strongly agree to strongly disagree has been used for the understanding the user perception on mobile wallet payments

Analysis

Figure 1: % of Users Preferred Mode of Payment

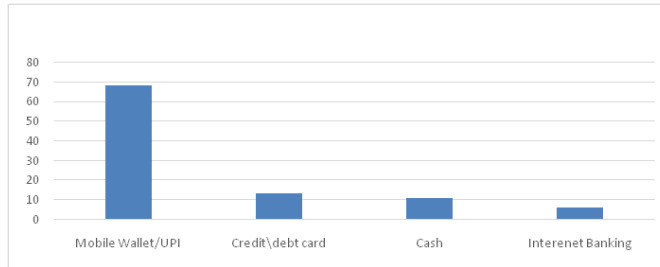
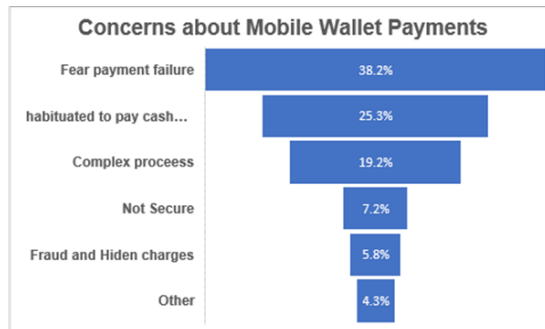


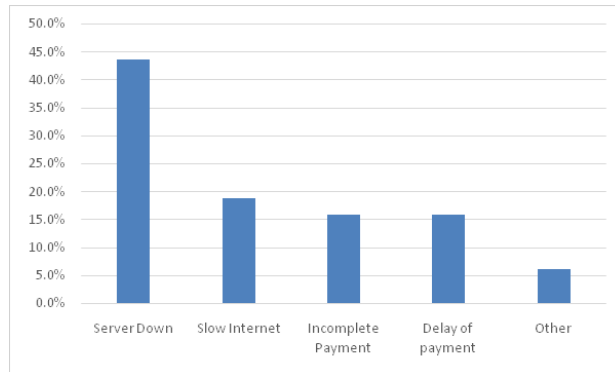
Figure 1 shows the users preferred mode of payments. Majority of the people prefer to use mobile wallet (68.6%) followed by credit/debit card(13.6%), cash (11.2%) and internet banking (6.5%).

Figure 2: Concerns with Mobile Wallet Payments



Majority section of the respondents validate that the concerns regarding the usage of mobile wallet payments is due to the fear of payment failure (38.2%) followed by habituated to pay cash only (25.3%), complex process (19.2%), less secured (7.2%), fraud & hidden charges (5.8%) and least portion accept that there are other diversified reasons for not using digital payments (4.3%).

Figure 3: Problems Faced by Users during Mobile Wallet Payments



Larger section of the respondents faces the problem of low server connectivity while using mobile payments (43.6%) followed by slow internet connections (18.8%), incomplete payments (15.8%), delay of payment (15.8%), and other problems (6.1%).

Users Perception on Mobile Wallets

Table 1

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Is using mobile wallet improving your quality of decision making for buying products	13.5%	33.1%	39.3%	9.2%	4.9%
Mobile wallet methods are completely secure	16.0%	39.6%	30.2%	11.8%	2.4%
Think that using mobile wallet can offer you a wider range of banking services and Payment options	14.4%	53.9%	25.1%	3.6%	3.0%

Table 1 shows the user perception on mobile wallet regarding the security, decision making for buying products and banking service & payment options. 13.5% of users strongly agree, 33.1% agree, 39.3% stayed neutral, 9.2% disagree and 4.9% strongly disagree that mobile wallet payments improve the quality of decision making while buying products. It is clearly indicating that significant percentage of the respondents opined mobile wallet mode of payments improving the quality of decisions at the time of buying products.

As per the security criterion, 16.0% of the users strongly agree, 39.6% agree, 30.2% stay neutral, 11.8% disagree and 2.4% strongly disagreed that mobile wallet method of payments is completely secure. The responses validate that large segment of the respondents find mobile wallets to be secure.

Regarding mobile wallet mode of payments could offer wide range of banking services and payment options. 14.4% of the users strongly agree, followed by 53.9% agree, 25.1% stay neutral, 3.6% disagree and 3.0% strongly disagree that Through the responses, it is evident that only a considerable portion of people notice the range of banking services and payment options available through mobile wallet mode of payments.

Conclusion

This study found that though all the respondents possess mobile wallets, nearly 60% of them

use this mode of payment. The remaining 40 percent of the respondents prefer to use the traditional mode of payment rather than the digitalized version due to the fear of failure of payments, habit of paying in cash, complicated process, less security, fraud & hidden charges and other related concerns. Further the frequent problems faced by the respondents are low server connectivity, slow internet connection, incomplete and delayed payments and other related problems. Users positively responded the mobile wallet mode of payment for improving the quality of decisions they take during the purchasing of products. As per security concern of the mobile wallet, significant percentage of the users are said to believe that these payments are completely secured and also believe that mobile wallets can offer wide range of banking services and payments options.

There is a need to concentrate on problems of server down and internet connection to make mobile wallet payments more secure and accessible. Since majority of the people using the mobile wallets there is a chance of malpractices done by the fraudsters so in this regard mobile wallet operators have to be more responsible to curb these kinds of activities.

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