

Consumer's Adoption of Digital Wallets With Special Reference to Bangalore City

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Abstract

The role of technology in human life playing a crucial role in the present scenario in this globe. People are very fast to adopt technological things for the better convenience of their life and made simple. This study reveals how the people are adopting mobile wallet payment systems and the benefits of mobile wallet payments; it also finds out how the customers are comfortable with mobile wallets, perceptions, preferences, and reasons for using mobile wallet payment systems.

Keywords: Mobile Wallet, Digital Payments and Technology

Introduction

A mobile wallet is popularly known as “digital-wallet,” which discusses an electronic device that allows one to make electronic transactions with another party exchanging digital currency, unit for goods, and services. The development of technology and the advancement of smartphones have become an essential part of the daily life of people. A smartphone is using as a source of communication device, socialized tool, entertainment, internet, and even payment tool. Cashless payment with the support of smartphone technology as allowed the people to carry out mobile to make digital transactions. The mobile wallet includes the name and other keywords, it can develop the security for all the data's on the mobile wallet, and these data are encrypted. Missing data will get back by using a backup option. The wallet money has been using in the different kinds of world businesses like banks, Customers, and Companies. Banks have taken a good position for offering better transaction services and payment to the customer's needs. The customers are pulling to the online shopping given by digital wallets, and customers are attracted because of convenience and speedy transactions. In the case of companies aims at providing the facility to their customers about transaction services and payment options are attached to mobile wallet service.

Digital Wallet (E-Wallets)

The definition of a digital wallet has a narrow and broad sense. Digital wallets, also are known as an e-wallet. A Digital wallet, in the slight sense, denotes a payment tool generally used in day to-day activities living and shopping, and also for doing small shopping. Electronic wallet simplification, no need to the stored-value card, and also digital cash from the bank. The electronic money can be consumed properly in the POS machine, and it carries out by the online consumer into traditional consumers.

Review of Literature

Prof Trilok Nath Shulka (2016), in his paper “Digital Wallet: Present and future,” has discussed mobile wallet, working, types, and advantages and disadvantages. He concluded that digital wallets would engage the markets and digital businesses with the help of the customer.

Sanaz Zarrin Kafsh (2015), Studied on “Developing consumer Adoption Model on Mobile wallet in Canada,” the focus of the study was to identify the factors that influence the consumer’s adoption of mobile wallets. As per the analysis made by them. There is a relationship between perceived usage.

Ngoc Doan (2014) finds out on “Consumer adoption mobile wallets”. This study states that the adoption of M-Wallets consumers is only at the opening stage & the achievement of M-Wallets based on the marketing tactics of M-wallet Establishments as well as the financial markets.

Holmes, Tamara E (2012), reveals in this article to suggest ideas on safeguarding one’s financial information from getting into the wrong hands. This study suggests setting a password on smartphones to avoid becoming a victim of identity fraud.

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

Sahut (2008), “The adoption and Diffusion of Electronic Wallets,” this study analyzed the failure of electronic wallets. It proposed a joint approach to analyzing key factors affecting the adoption of E-wallets using the TAM Model.

Research Gap

It the above reviews, they analyzed the factors that influencing consumer’s in the adoption of digital wallets, and they identified the key challenges in building & deploying a digital wallet. In their research, the sampling unit was the consumers who used the digital wallet modes based on a sample design of 100 respondents. The above article will provide the safety and security measures of the digital

wallet. But in this research, the study is based on consumer’s adoption of Digital wallets concerning Bangalore city”.

Statement of the Problem

Over the last ten years, our world has rapidly developed digitally. At present internet purchases, and social interactions through and social networks and mobile devices with the help of the internet. Two reasons that have supported the development of increasing the usage of mobile phones with the internet. The mobile is everything to the people to make the payments, able to pay for goods and services, making recharges, etc.... no matter where we are, but the need for an electronic wallet or mobile payments can be made. Therefore this study pays attention to Consumer adoption of digital wallets payment.

Scope of the Study

Digital wallets belong to the functional area of marketing in management, focusing on the application-based mobile transaction; it guides Digital wallet (E-wallet) transaction companies to make efficient customer service.

The Objective of the Study

To study the purpose of the Digital Wallet by the customer.

To understand how consumers perceived new technological service that is Digital wallets.

To analyze the consumer’s perception of the digital wallet.

Significance of the Study

The research will be conducted to analyze the usage of Digital Wallets by users and to study the satisfaction level of Digital Wallets users based on different parameters.

Research Methodology

This research-based on primary and secondary data. This research paper aims to find the various factors affecting while adopting Digital wallets and also to find the perceptions of the users.

Sampling

The researcher has adopted the Convenience sampling method to collect information from 100 respondents.

Limitations of the Study

The study restricted to consumer adoption Digital Wallet with Bangalore city only.

The sample size used for the study is small.

Consumer’s perception changes from time to time with the advancement in the technology.

Data Analysis and Interpretation

Table 1: Educational Qualification

Qualification	Frequency	(%)
SSLC	11	11.0
PUC	13	13.0
Undergraduate	41	41.0
Postgraduate	35	35.0
Total	100	100.0

The above graph shows the educational qualification profile of the sample respondents. Out of 100 respondents, 11% of the respondents were SSLC, 13% were PUC, 41% of respondents are Bachelor’s degrees, and 35% of respondents are Master’s degrees. Better educated were chosen to get exact information about their awareness and further intention about Digital Wallet usage as the content was complex. It observed that the latest generation of people were more tech-savvy to provide consistent responses.

Table 2: Occupation

Valid	Frequency	(%)
Student	30	30.0
Self Employed	15	15.0
Government Employed	2	2.0
Private Employed	37	37.0
Others	16	16.0
Total	100	100.0

From the above table that 30% of respondents were students, 15% were Self Employees, 2% of respondents were Government Employees, 37% were Private Employees, 16% of respondents occupied in some other streams. After age profile, education level, and occupation profile, we can concentrate

on analyzing consumer awareness, intention, and responses to the factors that affect the adoption of Digital Wallets by Consumers.

Table 3: Awareness of Digital Wallet

Valid	Frequency	(%)
This is the first time	38	38.0
Yes, I have heard about it, But I have never used it	11	11.0
Yes, I know about it and I have been using it	51	51.0
Total	100	100.0

The above analysis shows that the awareness about Digital Wallets that 51% of the respondents know Digital Wallet. They have been using it, 11% of respondents are heard about Digital Wallet. Still, they have not used Digital Wallets and fear of sharing confidential information, the remaining 38% of the respondents have heard about Digital Wallets for the first time. It is cleared that Youngers are well educated, and they have preferred to use Digital wallet apps for making transactions and become skillful at using Digital wallets.

Table 4: Information on Digital Wallets

Valid	Frequency	(%)
Social Media	32	32.0
Through Bank	11	11.0
SMS / Mail	4	4.0
Friends and Family	50	50.0
Others	3	3.0
Total	100	100.0

Source: Primary Data

The above graph shows that the majority of 50% of the respondents gathered information about the usage of Digital Wallets from friends and family; 32% of the respondents are from social media. And 11% of the respondents from gathered information from through bank. 4% of respondents from SMS/ Mail and 3% of respondents are from getting information about Digital Wallet in Other ways like through newspapers, TV channels, etc.

Table 5: Adopting Digital Wallet Service

Valid	Frequency	(%)
Paytm	26	26.0
Free charge	3	3.0

Phone pay	71	71.0
Total	100	100.0

Source: Primary Data

The above graph results indicate that majority of the respondents have personally used Phone pay (71 Percent), Paytm (26 Percent), and Free charge (3 Percent). The Table indicates that Phone Pay Digital is the most preferred digital wallet by the consumer for making banking transactions, recharge purposes. Purchasing products by paying bills through Paytm, Followed by free charge and Mobikwik. All the other digital wallets are preferred less.

Table 6: Reasons for Using Digital Wallet

Valid	Frequency	(%)
Time-Saving	51	51.0
Ease of Use	36	36.0
Security	7	7.0
Others	6	6.0
Total	100	100.0

Source: Primary Data

From the above graph majority, 51% of the respondents, agree that digital wallet services save time, 36% of the respondents agreed that using digital wallet service makes the handling of payment easier, 7% of the respondents agree that digital wallet service is secure from payment mode, and remaining 6% of respondents due to other reasons using of a digital wallet.

Table 7: Purpose of Using Digital Wallets

Valid	Frequency	(%)
Money transfer	78	78.0
Mobile Recharge	11	11.0
Utility & bill payment	10	10.0
Transportation	1	1.0
Total	100	100.0

Source: Primary Data

The survey reveals that most people use this Digital Wallet facility for Money transactions (78%), followed by 11% of the respondents were Mobile recharge. In comparison, 10% use it for utility and bill payment. Another 1% use it for transportation. It is cleared the majority of the respondents use Digital Wallet for Money Transfer.

Findings

1. The development of technological advancement as made smartphones to become an essential part of daily life people
2. The respondents gathered information about Digital Wallets more from Family and Friends, followed by Social media.
3. The respondents use their smartphones for completing the Money transfer, followed by Mobile recharge and Utility & bill payments.
4. The respondent's awareness of Digital Wallet Payment services is high.
5. Maximum of the respondents are aware and prefer to use Phone Pay followed by Paytm for Money transfer, Utility and bill payment, and also for transportation and mobile recharge.
6. Many of the respondents feel that the Digital Wallet saves time and made life easy.
7. Most of the respondents felt that the Digital Wallet is an alternative mode of the physical payment system.
8. Many of the respondents have reduced their traditional payment due to Digital Wallet.
9. The majority respondents priority reasons for using Digital wallets are it save time in performing banking transaction and using Digital wallet service makes the of payment easier.
10. A large number of respondents are satisfied with the service provided by them, whereas a few numbers of the respondents are highly satisfied with the service used.
11. A lesser number of respondents prefer to use free charge and other google wallets because these wallets are not Populated compare to Phone pay.

Suggestions

1. The mobile payments in INDIA depend largely on the payment bank license, which is to be offered by RBI so that people can self-reliance in using the wallet services.
2. The Mobile Wallet App developers must fulfill the guidelines drawn by RBI to acquire a payment bank license.
3. The awareness of the Digital wallet users should be more when making the transactions.

Conclusion

The study was conducted to explore consumer's adoptions on Digital Wallets and willingness to engage in using a smartphone to replace the content of their physical wallets. The study explored awareness, usage, like using smartphones for completing the monetary transactions. Digital Wallet is getting more and more trending among the consumers. As per the findings of the study, Digital Wallet is gaining popularity among young lots, such as students and employees. Further, the study also explored which Digital wallet gateway service is preferred by the consumers. The study witnessed that payment is leading among the other wallet providers. The main influencing factor has been identified as time convenience security, reward points, discount deals, etc. Making Payment through Digital Wallets can be a great benefit to the users in terms of convenience and saving time.

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