

A STUDY ON CONSUMER PERCEPTION TOWARDS USAGE OF MOBILE WALLET

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Abstract: The study examines the consumer perception towards usage of Mobile Wallet. In today's world, smart phone has become important part of everyday life. As it has become more affordable, the number of smart phone users has increased dramatically. Along with smart phone production, plenty of services have been created to utilize the possible functions of smart phones. Not only smart phones are used as communication device, but also to be used as socialized tool, entertainment tool, internet access tool, and even payment tool. Now-a-days mobile users use their smart phones to make money transaction or payment by using application installed in the phone. Besides payment, people can also store receipts, coupons, business cards, bills, etc., in their smart phones. When smart phones can function as leather wallets, it is called "Digital Wallet" or widely known as "Mobile Wallet". Motivation of the research came from various factors. First of all, the mobile wallet is a recent term. In other words, it is a "trendy" topic that has been discussed in technical forums and financial websites in several years lately. One can see the word "Mobile Wallet" multiple times from the internet, yet he does not know what mobile wallet is. Therefore, the research is made due to personal curiosity to gain practical knowledge about mobile wallet during the research process in order to understand how consumers perceive this new technological service. Secondly, I am one of a smart phone users and I would like to exploit the capability of the phone. Other users perhaps also have this desire. For that reason, I conduct this research to observe people's satisfaction level on this new service. Practically, this research will be useful for the business stakeholders of mobile wallet who would like to expand the business to earn more market shares.

Keywords: Mobile Wallet, e-wallet, virtual wallet, consumer perception.

1. INTRODUCTION:

Mobile Phones have become an integral part of our society. Originally mobile phones were intended only to make voice calls and send text messages. Today mobile phones have evolved so much that they provide a wide range of services from email, instant messages, social media interface, etc., Moreover, our smart phones equip us with our daily needs like camera, calculator, navigation, notebook and an address book too. In short, smart phones have converged to become our pocket size PC. We can further emphasize that smart phone penetration has increased tremendously all over the globe with staggering penetration rates. It is estimated that currently 1 out of 5 mobile phones is a smart phone.

In the current scenario other than a smart phone a user normally carries keys and a wallet. A logical continuation in the next step of convergence would be to integrate the users' wallet with his phone. Thus a Mobile Wallet is mobile service which enhances mobility and connectivity of a standard wallet in a built in mobile device. This would provide the user convenience as well as safety.

Convenience: Moving the user's bank cards and ID cards to the phone would free up a lot of pocket space. Further Mobile Wallet pilots indicate significant reduction of time when paying through phones than the conventional leather wallets.

Security: Moving the user's wallet to his phone substantially reduces theft and bank card manipulation.

There are number of facilities which are leading to the growth of Mobile Wallet and transition from cash economy to less cash economy. These facilitators include penetration of internet connectivity on smart phones, non-banking financial institution facilitating Mobile Wallet, one touch payment, rise of financial technology sector and push by government either by giving incentives or tax breaks. These all factors are creating positive atmosphere for growth of Mobile Wallet in India.

1.2 HISTORY OF MOBILE WALLET

Mobile wallet is developed from a concept called "Digital Wallet". It dated back in 1996 when the founder of Digital Wallet, Sam Pitroda, who filed the patent in the United States. He defined that a digital wallet would consist of a liquid crystal display not much bigger than a regular plastic bank card, which preferably a touch-sensitive screen and simple user interface that lets the user flip through the digital wallet in the same manner he/she flips through a leather wallet. In other words, mobile wallet is "formed" when the smart phone functions as a leather wallet it can have digital coupons, digital money (transaction), digital cards, and digital receipts such as Paytm, PhonePe, Google pay, PayPal, etc., in the phone, and use those applications to pay directly for the products you have purchased (online/offline). The payment may be processed by credit cards or debit cards.

M-Payments have been available in India since 2010; and are majorly driven by the increase in smart phone and tablet users, low mobile tariffs, affordable handsets, and penetration of the internet. However, trust and security issues have remained as the major roadblocks for the industry. During FY 2016, the total transaction volume of the M-Payment in India was 2.9 Billion; and it is expected to grow at a CAGR of 132% during FY 2016-FY 2022, and reach around 460 Billion by the end of 2022.

1.3 TYPES OF MOBILE WALLET:

- **Open Wallet** – It is the one that allows a user to buy goods and services, withdraw cash at ATMs or banks and transfer funds. These services can only be jointly launched with a bank. Additionally, it allows its users to send money to any mobile number bank account.

Example: M-Pesa by Vodafone and ICICI.

- **Semi-open Wallet** – It is the one that allows its users to transact with merchants that have a contract with the semi wallet company. A user cannot withdraw cash or get it back; he will have to spend the amount he had loaded.

Example: Airtel Money.

- **Closed Wallet** - It is quite popular with e-commerce companies. Here, a certain amount of money is locked with the merchant in case of a cancellation or return of the order or gift cards.

Example: Flipkart e-wallet.

- **Semi-Closed Wallet** - It does not permit cash withdrawal or redemption, but allows users to buy goods and services at the listed merchants.

Example: Paytm.

2. OBJECTIVES OF STUDY

The present study is taken up with the aim of identifying the consumers satisfaction of Mobile Wallet users. The following are the specific objectives of the study.

- ✓ To present an overview of the consumer perception towards Mobile Wallet.
- ✓ To understand the consumer satisfaction level towards Mobile Wallet.
- ✓ To identify the factors influencing Mobile Wallet user's satisfaction.
- ✓ To identify the Mobile Wallet apps preferred by the users.
- ✓ To analyze the problems involved in the usage of Mobile Wallet.

3. SIGNIFICANCE OF THE STUDY

Mobile Wallet is the newest form of electronic payments which, in the business-to-consumer model of e-commerce, also includes EFTPOS (Electronic Fund Transfer at Point Of Sale), smart cards, credit card payments over the internet, e-cash and others. Mobile Wallet has been a popular payment method for consumer because it makes the need for cash on hand less crucial. Business funds can be transferred without having to handle or transport cash and coins. For both consumers and business, transactions can be more easily tracked and monitored. Need for the study is to access consumer acceptance and satisfaction level towards the use of their Mobile Wallet for online shopping, mobile banking, bill payments, etc.,

4. LIMITATIONS OF THE STUDY

The sample size for the study is around 100 respondents who are the users of Mobile Wallet. As total number of respondents is around 100 and not all parameters were considered therefore, this method cannot be used to generalize the results. The result of analysis is the study depends fully on the accuracy and reliability of information given by the respondents.

5. RESEARCH METHODOLOGY

5.1 Data collection:

Sample Method: The convenience sampling technique was employed in the selection of the sample.

5.2 Sample size: Sample of 100 respondents were interviewed to carry out the present study.

The primary data has been collected through the structured questionnaire both by visiting houses and from public places. And the secondary data has been collected from the sources like websites, newspapers, journals and magazines to make highlights on Mobile Wallet.

6. DATA ANALYSIS

Q1. Age of the respondents

Age in years	No. of respondents	% of respondents
11- 20	16	16 %
21- 30	47	47 %
31- 40	22	22 %
Above 40 years	15	15 %
Total	100	100 %

Q2. Occupation of the respondents

Occupation	No. of respondents	% of respondents
Service	12	12 %
Business	29	29 %
Profession	19	19 %
Others	40	40 %
Total	100	100 %

Q3. Idea of using mobile wallet

Idea of using	No. of respondents	% of respondents
Advertisement	42	42 %
Suggestion from friends/ relatives	53	53 %
Others	5	5 %
Total	100	100 %

Q4. Main purpose of usage

Purpose of usage	No. of respondents	% of respondents
Money transfer	24	24 %
Recharge	20	20 %
Bill payment	33	33 %
Online shopping	23	23 %
Total	100	100 %

Q5. Factors influencing the use of mobile wallet

Factors	No. of respondents	Percentage %
Time saving	36	36 %
Easy to use	41	41 %
Cost effective	14	14 %
Increased security	9	9 %
Total	100	100 %

Q6. Mobile wallet apps preferred by the respondents

Apps	No. of respondents	% of respondents
Paytm	30	30 %
Phonepe	17	17 %
Mobikwik	4	4 %
Freecharge	14	14 %
Google pay	27	27 %
Others	8	8 %
Total	100	100 %

Q7. Range of money loaded monthly in mobile wallet

Money loaded	No. of respondents	% of respondents
Less than Rs.500	18	18 %
Rs.500 to Rs.1000	45	45 %
More than Rs1000	37	37 %
Total	100	100 %

Q8. Problems faced by the mobile wallet

Problems	No. of respondents	Percentage %
Security of mobile wallet	15	15 %
Too much of time consuming	8	8 %
Involves danger of losing money	24	24 %
Bad internet connection	36	36 %
Receiving cash back	17	17 %
Total	100	100 %

Q9. Level of satisfaction

Level of satisfaction	No. of respondents	% of respondents
Satisfied	53	53 %
Neutral	38	38 %
Dissatisfied	9	9 %
Total	100	100 %

Q10. Comments on service cost

Service cost	No. of respondents	% of respondents
Costly	11	11 %
Economical	66	66 %
Low	23	23 %
Total	100	100 %

7. FINDINGS

1. A maximum of 47% of the respondents are under the category of 21 years to 30 years of age.
2. A maximum of 40% of the respondents occupation are under the category of others.
3. A majority of 53% of the respondents are influenced by getting suggestions from friends and relatives.
4. A maximum of 33% of the respondents are using mobile wallet for making bill payment.
5. A maximum of 41% of the respondents influenced by easy to use factor..
6. A maximum of 30% of the respondents prefer Paytm Wallet.
7. A maximum of 45% of the respondents load Rs.500 to Rs.1000 in mobile wallet.
8. A maximum of 36% of the respondents are facing problem of poor internet connection.
9. A majority of 53% of the respondents are satisfied with the mobile wallet service.
10. A majority of 66% of the mobile wallet users said the service cost is economical.

8. SUGGESTIONS

The following are the suggestion to increase the level of satisfaction of Mobile Wallet users based on their opinion and analysis of data.

- ✓ **Mobile Wallet should be made universal:** A majority of the people doesn't use smart phones, in that too many people don't have an internet connection merely a handful of people use Mobile Wallets. So we can say that only a small number of people use the Mobile Wallet as a payment option and depends heavily on cash and cards to make transactions.
- ✓ **Internet connectivity should be further enhanced for increasing usage of Mobile Wallet Apps:** Internet connectivity remains a bigger problem for a great number of people. If you are going to a hill station which does not have enough mobile towers to support the signal then internet speed would be quite slow to perform a transaction. Many developing countries too don't have a decent infrastructure to support a proper internet connection to a large number of people.
- ✓ **Compatibility issues should be reduced:** If you are using windows smart phones, on an old version of android OS, or even iPhone 5 or iPhone 5S then there is a possibility that some Mobile Wallet will not support your mobile and you cannot enjoy its services.
- ✓ **More security measures should be taken to safeguard the users:** More connectivity, security measures are at the forefront nowadays. People are always under the fear of misuse of their money by hackers and frauds. They always feel safer to have cash. Again there are also issues of identify theft that need to be addressed. Issue of pick-pocketing will be replaced by these concerns.
- ✓ **Standard norms of Mobile Wallet payments should be made:** There are many wallet operators and there is still no clear idea as to whether payments to other wallet operators would be possible or not. For e.g. Mobikwik should be able to pay PhonePe.

9. CONCLUSION

Mobile wallet is one among the best mechanical advancement in the present century and the administration offered by Mobile Wallet helps in time utilization and further more anything but difficult to utilize. Achievement of Mobile Wallet was a plan of action presented to concentrate the current circumstance in the nation after demonetization. It can get consideration in the general public as it centers around making mindfulness among individuals. Instructing individuals about its administrations is important in modern world. Fruitful treatment of Mobile wallet by online purchasers and mobile banking customers is best case of its positive effect in the general public.

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