

ACCEPTANCE OF E-WALLET SERVICES: A STUDY OF CONSUMER BEHAVIOR

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ABSTRACT

In today's scenario, smart phones have become an important part in day to day activities. As it becomes more affordable, the usage of smart phone users is getting drastically high. Smart phones are not just useful for social media, videos and taking selfies. They have now become an important part of our day to day activities for making payments for various options. "E-wallet is an online prepaid account where one can stock money, to be used when required. As it is a pre-loaded facility, consumers can buy a range of products from airline tickets to grocery without swiping a debit or credit card, provided their wallet is filled with sufficient amount required for payment". Service like e-wallet is innovation facilitating more easier payments at the time of requirement. The primary purpose of this study is to obtain a picture of the level of acceptance of this technological innovation as a mode for settling bills and making payments. The study also examines the, influence of various demographic factors on this consumer behavior. The study involved obtaining first hand information from more than 300 users of this service. The study was conducted in Trichy and Thanjavur districts of Tamil Nadu. Stratified random sampling was used to arrive at the sample for the study. Chi square, Correlation tools have been used to analyze the data obtained. Implications for marketers have also been provided.

Keywords: e-wallet, Consumer Behaviour

1. INTRODUCTION ABOUT E-WALLET

India's most popular online destination for prepaid mobile & DTH recharges and shopping, apps are popularized through Android and iOS apps using E-wallet facility for the mode of payment. "E-wallet is an online prepaid account where one can stock money, to be used when required. As it is a pre-loaded facility, consumers can buy a range of products from airline tickets to grocery without swiping a debit or credit card if so their wallet is filled with sufficient amount required for payment". E-wallet can be used for many purposes like online Grocery Stores ,utility

payments, buying online, recharging mobile phones, whereas many e-commerce sites are also encourages. The service sector companies like Uber, ola cabs, Book my show, Make my trip also prefer E-wallet for mode of payment. E-wallet like paytm works with all mobile operators in all states in India for payments of bills like postpaid bill, DTH bill, landline bill, Electricity bill, data card and recharges like prepaid mobile, DTH. It partners with the multiple national banks, for credit card, debit card and net banking payments. Even IRCTC is now started with E-wallet service to make customer easier to make their payments at the time of requirement.

E-wallet services generally result (1) Ease of use without having to enter the debit/credit card details for every single online transaction. (2) For some sites there is no minimum amount and you can deposit an amount as low as Rs 10. (3) benefits of e-wallet can be shared with friends and family (4) There is no chance of a decline of payment since E-wallet is a prepaid account these are some of the benefits that can be availed by using E-wallet.

2. REVIEW OF LITERATURE

SINGAL, NIDH (2016) The article discusses the mobile **wallet** that loads money for payment of bills which is hassle free and saves time. topics mentioned include the high success rate on making payments with transactions in less than 10 seconds, the loading of money which does not risk the credit card and bank account limit, and the offered services by electronic commerce company Paytm including buying tickets, institutions fees payment, and money transfers¹

KORZENIOWSKI, PAUL (2014) The article discusses the emergence of mobile wallets and how it changed customer experience in payment process. Topics include the appeal of mobile commerce functions in smartphones to consumers, the use of more personalized shopping experiences, and the near field communication (NFC) system. Also mentioned is information on the role of PayPal, the formation of payment infrastructure company Merchant Customer Exchange (MCX), and the selection of an open or close loop design in transactions. INSETS: A Digital Wallet Versus a Mobile Wallet; Back to Square One.²

Holmes, Tamara E. (2012) The article offers advice on how to protect one's financial information in digital **wallets** from getting into the wrong hands. It warns of spoofed invoices which look legitimate and request payments through wire transfer or direct bank transfer. It also advises against clicking on links in e-mails and to avoid providing personal information such as Social

Security number. It suggests setting a passcode on smartphones to avoid becoming a victim of identity fraud.³

Adams,John(2012) The article discusses the outlook for electronic **wallet** payment systems from the perspective that the U.S. banking industry has to attract users in the mobile **wallet** market and understand the mobile **wallet** market's ecosystem.⁴

Bell, Stephanie (2011) The article presents information about a deal between Littlewoods Europe company and Optimal Payments PLC for Optimal's Neteller electronic wallet and discusses how the virtual payment method works for online shopping.⁵

Quittner, Jeremy(2012) The article focuses on a security problem in Google Inc.'s digital **wallet**, which is linked to prepaid accounts where users store funds. The research firm zvelo Inc. found the PIN (personal identification number) code used for authentication and other user information in Google's **Wallet** application can be extracted by a computer hacker.⁶

3. OBJECTIVES OF THE STUDY

Objectives were as follows:

- To ascertain the acceptance of the concept of E-wallet among potential consumers;
- To determine the extent of acceptance of this application in various consumer options;
- To determine factors that influence consumer purchase of E-wallet options and other similar options.

4. SCOPE OF STUDY

The scope of the paper comprises of the following:

- It belongs to the functional area of marketing in management with specific focus no application based mobile transactions; and
- It guides the E-wallet transactions companies to make efficient customer service.

5. LIMITATION OF THE STUDY

The research suffers from two limitations

- Time limitation that is the study results are applicable to the study period only (21/3/2016-21/4/2016).

- The response are covered through questionnaire (met various consumers individually).

6. RESEARCH METHODOLOGY

This study is explanatory in nature. It described the status and nature of E-wallet in the study unit. It also explains the acceptance of E-wallet on the basis of respondent options. A sampling method is a definite plan for obtaining the sample from potential consumers from among the users of various e-wallet services for namely mobile recharge, booking of cinema tickets, using various options and where these respondents were chosen at random. The data collected have been analyzed by statistical techniques including percentage analysis, chi-square and correlation test. Bar charts have been deployed to influent the consolidated data.

7. FEATURES INFLUENCING USAGE OF E-WALLET

The researcher had proceeded to determine the primary motives in using e-wallet against other payment modes. The obstacles or difficulties in using e-wallets have also been analyzed.

Table no. 1

Primary motives of e-wallets- descriptive analysis

Sl.no	Factors	Mean	SD
1	cost saving	2.9015	0.7913
2	secured privacy	3.1292	0.8653
3	secured transaction	3.2123	0.8577
4	discount offered	2.9323	2.3429

Source: Primary Data

Though all the factors or motives considered for e-wallet preferences including cost, secured privacy, secured transaction and discount benefits were all influenced to tally a mean score above 2-5(which is the mid-point in a 5-point liker scale), the price related factor namely 'cost saving' and discount benefits seemed to be low considered (mean scored of 2.90 and 2.93 respectively). It confirmed that secured privacy and secured transaction are more primary reasons for e-wallet preference.

Table no. 2

Sl.no	Difficulties in using e-wallet –Descriptive statistics	Mean	SD
1	Timeout that occur while using mobile wallet	2.5969	1.6999
2	payment failure	2.7877	1.8294
3	mobile data disconnection	2.7815	1.8472
4	Lack of coverage by internet service provider	2.8308	1.8406
5	Functional failure of app	2.8123	1.8754

Source: Primary Data

The drawbacks in using e-wallet have been likert in table 7.2. The mean scores of the factors were all likert scale mid point of 2.5 influencing very low status of these independents in e-wallet usage. This indicates that e-wallets are adopted in spite of the difficulties it might pose.

Table No. 3

Opinion about Mobile wallet- descriptive statistics

Sl.no	Opinion about Mobile wallet- descriptive statistics	Mean	SD
1	Mobile data can be a alternative choice of payment	3.5815	0.8908
2	Mobile wallet can substitute the original payment method	3.5446	0.8934
3	Mobile data can support the original payment method	3.5385	0.9699
4	Mobile wallet is not necessary	2.2185	1.0176
5	Would you want to continue using mobile wallet	4.0154	1.104

Source: Primary Data

The e-wallet have been found to be preferred and also seemed to have a growing potential mean score 4.01 for the item on future usage. A consumption number of respondents mean 3.5 have expressed that e-wallet can be segmented by mobile data.

8. Chi-square for Occupation, Income and Primary Factors affecting the decision of using e-Wallet

H₀₁: There is no relationship between occupation of the respondents and Primary factors affecting the decision of using e-wallet.

H₀₂: There is no relationship between income of the respondents and Primary factors affecting the decision of using e-wallet.

Table No. 4
Factors Primarily affects the decision of using e-wallet

Sl.no	Demographic Factors	Factors primarily affects the decision of using ewallet				
			Cost saving	Secured privacy	Secured transaction	Discount offered
1	Occupation	Sig	0.00	0.00	0.00	0.065
		Result	Rejected	Rejected	Rejected	Accepted
2	Income	Sig	0.05	0.018	0.018	0.184
		Result	Accepted	Rejected	Rejected	Rejected

Source: Primary Data

It has been confirmed from the chi square applications that occupation and income are associated with decision of using e-wallet.

A further correlation was applied to determine to which extent these factors influencing on the decision of using e-wallet.

9. Chi-square for Demographic Factors and Primary Extent of usage and customer preference e-Wallet

H₀₁: There is no relationship between age of the respondents and extent of usage and customer preference of e-wallet.

H₀₂: There is no relationship between gender of the respondents and extent of usage and customer preference of e-wallet.

H₀₃: There is no relationship between qualification of the respondents and extent of usage and customer preference of e-wallet.

H₀₄: There is no relationship between occupation of the respondents and extent of usage and customer preference of e-wallet.

H₀₅: There is no relationship between income of the respondents and extent of usage and customer preference of e-wallet.

Table No. 5

Sl.no	Demographics variables		Extent of usage and customer preference
1	Age	Sig	.051
		Result	Accepted
2	Gender	Sig	.002
		Result	Rejected
3	Qualification	Sig	.413
		Result	rejected
4	Occupation	Sig	.540
		Result	Accepted
5	Income	Sig	.118
		Result	rejected

Source: Primary Data

Gender, Qualification and Income have been confirmed to be associated with the extent of usage and customer preference.

10. FINDINGS OF THE STUDY

- The mean scores of the factors were all likert scale mid point of 2.5 influencing very low status of these independents in e-wallet usage.
- The price related factor namely 'cost saving' and discount benefits seemed to be low considered (mean scored of 2.90 and 2.93 respectively).
- That secured privacy and secured transaction are more primary reasons for e-wallet preference.
- Very low status of these independents in e-wallet usage.
- That e-wallets are adopted in spite of the difficulties it might pose
- More than ninety-five percentage of the respondents had a possible apps in the mobile phones for making e-payments
- Nearly one half of the 46% were to use credit card and master card for payments. A considerable 30 % used ewallets to transact for their payments.

11. CONCLUSION

E-wallet which are considered as an hi-tech platform for money transacting and payments have been perceived to be comfortable and reliable, indicating high levels of acceptance. The e-wallet service providers need to strategize targeting not only at students and the youth, but also other age groups.

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