

Determinant Factors of Digital Wallet in India: An Empirical Analysis

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Abstract- Digital wallet refers to an electronic device that allows the users to make electronic transactions. By using digital wallet, we can avoid direct cash transactions. Mobile users can use their Smart phones for money transactions and payment. Digital wallet also includes online shopping with the help of computers or smart phones. Money can be added to digital wallet either by linking one's bank account to their digital wallets or by the use of debit cards. Not just money, we can also have our important ID documents such as Driving license, Aadhar card, etc. saved in our phones. The most popularly used digital wallets in India are Paytm, Mobikwik, Freecharge, Samsung Pay, etc. The purpose of the study is to determine the percentage of consumers who are aware of digital wallet, the most popular digital wallet used by users in India, the ratio of male and female users of digital wallet, the different age groups who use digital wallet, the ratio of rural and urban users of digital wallet and the degree of difficulty in the use of digital wallet. To evaluate the above, a survey was conducted with a structured questionnaire. The questionnaire was sent to 175 people out of which there were 149 respondents.

Index Terms- determinant digital wallet, rural and urban users, structured questionnaire

I. INTRODUCTION

Digital wallet refers to an electronic device that allows the users to make electronic transactions. By using digital wallet, we can avoid direct cash transactions. Digital wallets also include online shopping with the help of computers or smart phones. Money can be added to digital wallet by linking one's bank account to their digital wallets. Not just money, we can also have our important ID documents such as Driving license, Aadhar card, etc. saved in our phones. This shows that digital wallet is not just used for basic financial transaction. A survey conducted between October and December 2015, by MasterCard's mobile shopping survey on 8500 adults aged 18–64 across 14 markets showed, 45% users in China, 36.7% users in India and 23.3% users in Singapore are the biggest adopters of digital wallet. Some companies like Flipkart have introduced their own digital wallets. In such cases digital wallets are available to consumers free of cost, and they're not that difficult to obtain but the vendors charge merchants for wallets. The most popularly used digital wallets in India are Paytm, Mobikwik, Freecharge, Samsung Pay, etc.

II. IMPORTANCE OF DIGITAL WALLET IN INDIAN SCENARIO

In the Indian scenario, digital wallet was the perfect option to go cashless and make your lives easier without currency. It was the perfect solution for most of the users although it wasn't effectively reached to all the sectors. These days we have got apps for everything. Digital wallets like Paytm and Freecharge are offering their digital wallet app from past few years, and from a very long period they are encouraging cashless economy. But in the present scenario due to shortage of cash people are facing problems to make payments. It was the time to take up new decisions and overcome this situation through alternatives. Digital wallet was the best alternative to pay bills and make payments. Digital wallet is the best platform to do all the cashless transaction as digital wallet can help you to send and receive money across India. So, using E-wallets is better as it improves money shortage condition. E-wallets can be used in various fields like shopping, travel booking, taxi booking, and many more things. It is also accepted in few sites which delivers food and other services.

III. ADVANTAGES OF DIGITAL WALLET

Cost factor: Employing the use of digital wallet removes the need for a mediator. Cashier may not be required in stores because the purchasing process becomes simpler. In a tap or a scan of a mobile device payments can be made. As a result, the cost is reduced.

Time Saving: Many a times when we want to shop online or recharge our mobiles, we may not have time to enter our credit card details. Digital wallet is very helpful in this case. If some amount is kept in digital wallet, it will be easier to make payments without having to enter our card details. It is really time saving.

Security: Security is one of the major factors that we are concerned about in the case of money. If you are thinking that your money is not safe in digital wallet, then you have a wrong assumption because digital wallet offers a password security to lock your wallet.

Track the Expenditure: Transactions made through your mobile wallet is recorded and can easily be tracked through your account. The amount that comes in and goes out of your digital wallet is recorded and can be checked as and when required.

Attractive Discounts: Sometimes you can get attractive discounts for buying products online. If you use digital wallet, you may find some discounts and you may have cash back offers but

for this you will have to make payments only with your digital wallet. So, it can be a great benefit of having digital wallet.

IV. DISADVANTAGES OF THE DIGITAL WALLET

International Restriction: currency varies from one country to another. So, the same digital wallet cannot be used everywhere. This acts as a barrier for people who travel often and want to make cashless transactions.

Limited Merchants: The number of mobile wallets supporting merchants are increasing day by day, yet there are few who do not support. Some platforms that supports digital wallets are Paytm, Mobikwik, PayUMoney and more. There are many online stores that doesn't offer digital wallets and Amazon is the great example.

Dependent on the Devices: As we know digital wallets can only be used online and via your devices like laptop, smartphone, so the use of digital wallets is very much dependent of your device. If we cannot use our phones due to battery problem or any other reason, digital wallets are of no use. This is the main reason why digital wallets can't beat credit and debit cards.

Danger of Losing your Money: Digital wallets are not that safe compared to credit or debit cards because most of the banks provide the 3D secure password and without this 3D secure password, nobody can use your card. But it is not the case with digital wallets. In case you lose your smartphone, then anyone can use your wallet money with your digital wallet app.

V. RESEARCH METHODOLOGY

To evaluate the factors affecting the usage of digital wallet, a survey was conducted on total 149 respondents from Bangalore city about 175 questionnaires were delivered randomly to individual adult citizens who usually make online payments.

- **Sampling method-** Convenience sampling method
- **Sampling universe-** Rural and urban online payments users.
- **Sampling units-** Users of online payments.
- **Instrument for survey-** Structured questionnaire with 5-point rating scale

Research objectives

Objective 1: To study the percentage of consumers who are using of digital wallet

Objective 2: To study the most popular digital wallet used by users in India.

Objective 3: To study the ratio of male and female users of digital wallet.

Objective 4: To study the different age groups who use digital wallets.

Objective 5: To study the ratio of urban and rural users of the digital wallet.

Objective 6: To study about the safety and security of digital wallet.

- **Population of the study** - The population for this study is digital wallet users in Bangalore city, India

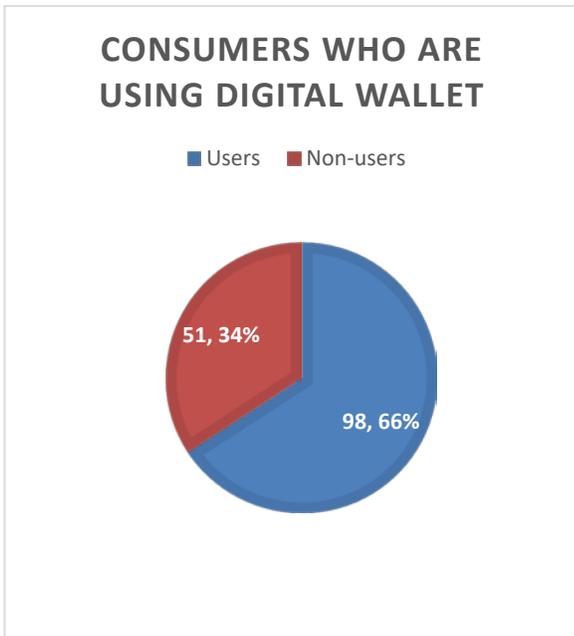
- **Sampling frame-** The sampling frame for the present research would be the employees of private and government sector, self-employed, business people in the city of Bangalore.
- **Sampling units-** The subjects for the present research are the digital wallet users (>18-45< years old).
- **Sampling technique-** The convenience sampling was selected for the present study.
- **Sample size-** 149
- **Data collection procedure-** The data in this study is primary in nature. Primary data was collected through the field survey during the period January 2019 - March 2019
- **Survey instrument-** Structured non- disguised questionnaire. All items are measured using Five-point Likert scale with 1 representing "strongly disagree" and 5 representing "strongly agree" were employed because previous research has suggested that a five-point scale is readily comprehensible to respondents and enable them to express their views.

Objective 1: To study the percentage of consumers who are using of digital wallet

Table:1 Percentage of consumers using digital wallet

consumers using digital wallet					
		Frequency	Percent	Valid Percent	Cumulative Percent
VALID	Yes	98	65.7	62.4	62.4
	No	51	34.2	37.6	100.0
TOTAL	Total	149	100.0	100.0	

From the above table it is clear that out of 149 respondents 98 (65.7%) of respondents are aware and using the digital wallet for the payments and 51 respondents (34.2%) are not using digital wallet for the payment. it is interpreted that most of the respondents are using digital wallet as their payment options.

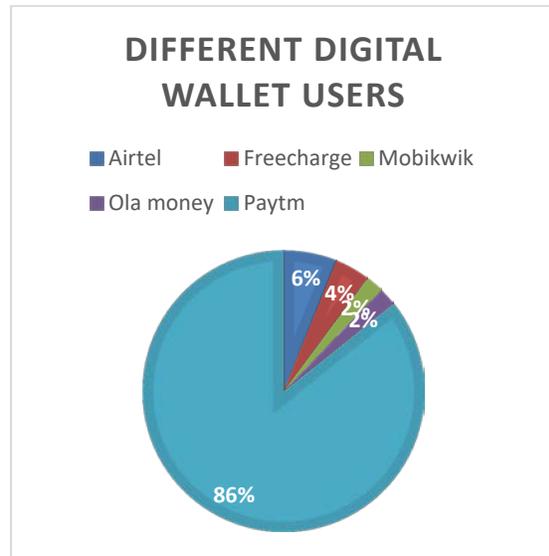


Objective 2: To study the most popular digital wallet used by users in India.

Table: 2 Percentage of consumers using different digital wallets.

Consumers using different digital wallets					
		Frequency	Percentage	Valid Percentage	Cumulative Percent
VALID ID	Airtel money	6	4.0	6.1	6.1
	Free charge	4	2.7	4.1	10.2
	Mobikwik	2	1.3	2.0	12.2
	Ola money	2	1.3	2.0	14.3
	Paytm	84	56.4	85.7	100.0
	Total	98	65.8	100.0	

From the above Table it is clear that out of 98 users of digital wallet, 6 (6.1%) of them used airtel money, 4 (4.1%) of them used Freecharge, 2 (2%) of them used Mobikwik, 2 (2%) of them used Ola money and 84 (85.7%) of them used Paytm. It is interpreted that most of the users of digital wallet use Paytm for their payment option.

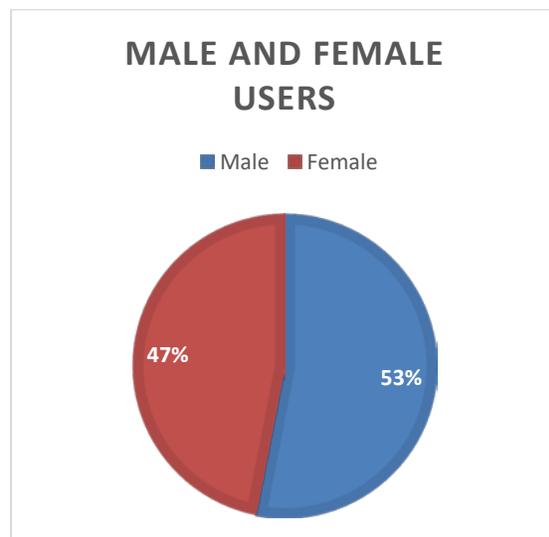


Objective 3: To study the ratio of male and female users of digital wallet.

Table: 3 Percentage of male and female consumers of digital wallet.

Male and female consumers of digital wallet.					
		Frequency	Percentage	Valid Percentage	Cumulative Percent
VALID ID	male	52	53.1	53.1	53.1
	female	46	46.9	46.9	100.0
	Total	98	100.0	100.0	

From the above Table it is clear that out of 98 users, 52 (53.1%) users are male and 46 (46.9%) are female users. The number of male users of digital wallet are more but the difference between the male and female users is very less.

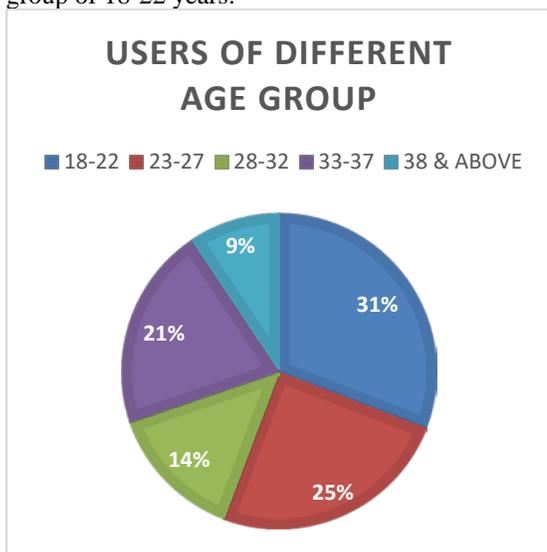


Objective 4 To study the different age groups who use digital wallets.

Table: 4 Percentage of people of different age groups who use digital wallets.

Age groups who use digital wallets.				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-22	46	30.9	30.9	30.9
23-27	37	24.8	24.8	55.7
28-32	21	14.1	14.1	69.8
33-37	31	20.8	20.8	90.6
38 & ABOVE	14	9.4	9.4	100.0
Total	149	100.0	100.0	

From the above Table it is clear that out of 98 users, 46 (30.9%) users are of the age group 18-20 years, 37 (24.8%) users are of the age group 23-27 years, 21 (14.1%) users are of the age group 28-32 years, 31 (20.8%) users are of the age group 33-37 years and 14 (9.4%) users are of the age group 38 and above. This shows that the maximum users of digital wallet belong to the age group of 18-22 years.

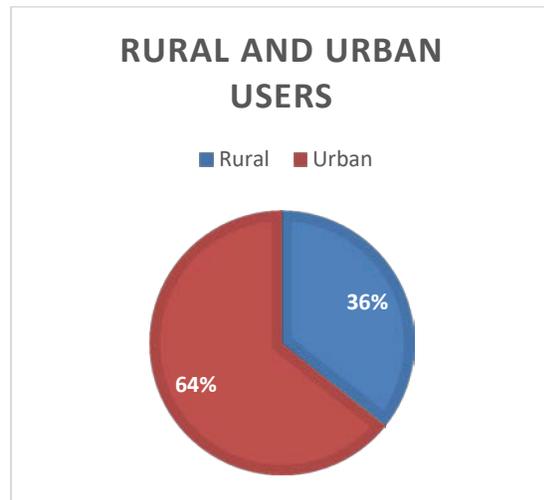


Objective 5: To study the ratio of urban and rural users of the digital wallet.

Table:5 Percentage of rural and urban of digital wallet.

Rural and urban users of digital wallet.				
	Frequency	Percent	Valid Percent	Cumulative Percent
VALID ID	RURAL	35	35.7	23.5
	URBAN	63	64.2	76.5
Total	98	100.0	100.0	

From the above Table it is clear that out of 98 users of digital wallet, 35 (35.7%) users belong to the rural area and 63 (64.2%) users belong to the urban area. This shows that majority of the users belong to the urban area.



Objective 6: To study about the safety and security of digital wallet.

Table 6: Percentage of different degree of safety and security.

Payment No Safe and Secure				
	Frequency	Percent	Valid Percent	Cumulative Percent
VALID ID	Strongly Agree	27	18.1	27.6
	Agree	4	2.7	4.1
	Neutral	12	8.1	12.2
	Disagree	42	28.2	42.9
	Strongly disagree	13	8.7	13.3
Total	98	65.8	100.0	

From the above table it is clear that out of 98 total users of digital wallet, 27 (27.6%) users strongly agree that digital wallet is safe for payment, 4 (4.1%) users agree that digital wallet is safe for payment, 12 (12.2%) users are neutral about the safety in payment through digital wallet, 42 (42.9%) users disagree that digital wallet is safe for payment and 13 (13.3%) users strongly disagree that digital wallet is safe for payment.

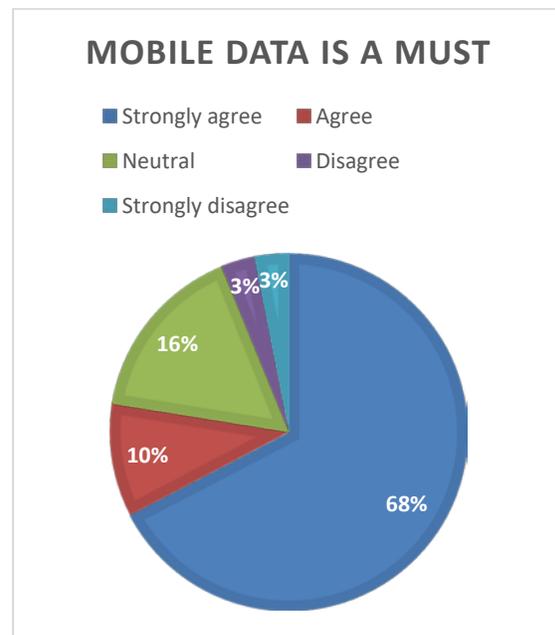
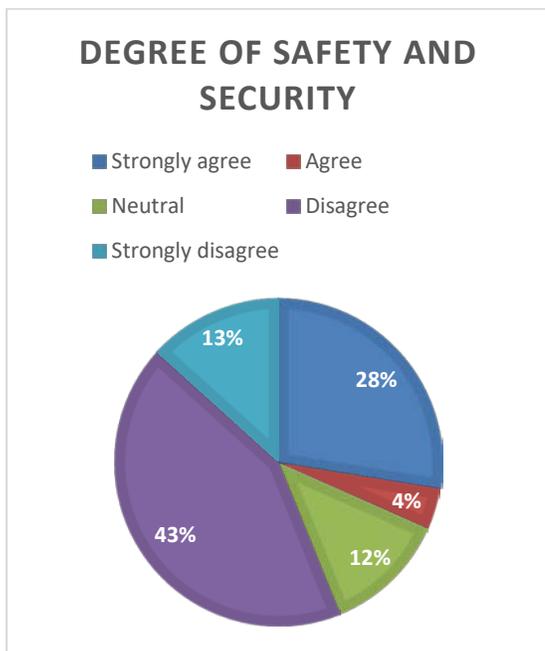


Table 6.1: Percentage of users who think mobile data is a must.

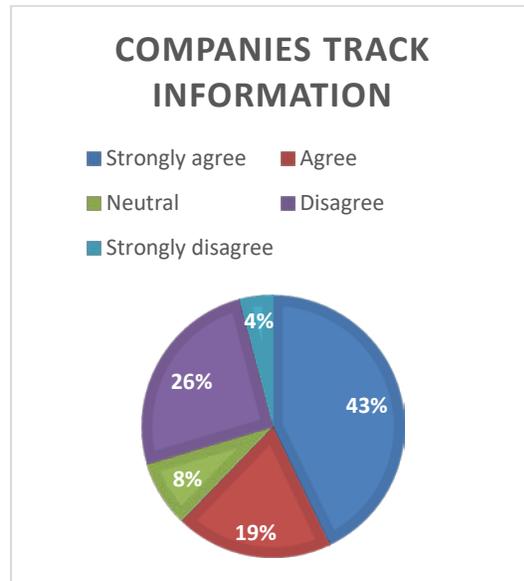
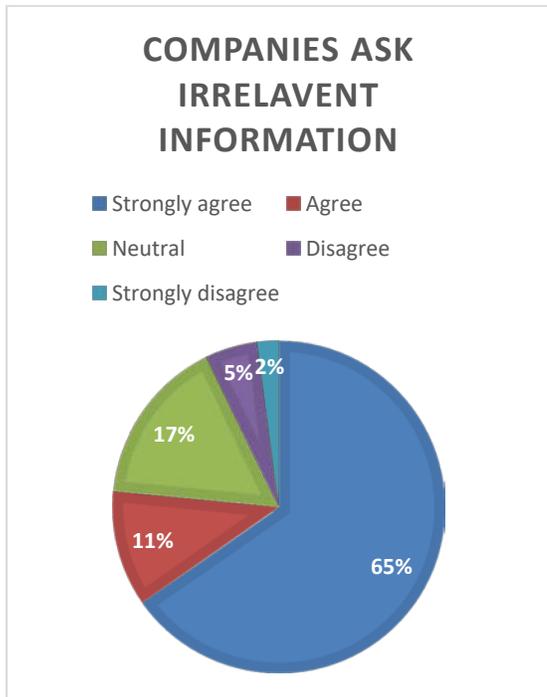
Table 6.2: Percentage of users who think companies ask irrelevant information

Mobile Data Is Must					
		Frequency	Percent	Valid Percent	Cumulative Percent
VALID ID	Strongly agree	66	44.3	67.3	67.3
	Agree	10	6.7	10.2	77.6
	Neutral	16	10.7	16.3	93.9
	Disagree	3	2.0	3.1	96.9
	Strongly disagree	3	2.0	3.1	100.0
	Total	98	65.8	100.0	

Companies Ask Irrelevant Information					
		Frequency	Percent	Valid Percent	Cumulative Percent
VALID ID	Strongly agree	64	43.0	65.3	65.3
	Agree	11	7.4	11.2	76.5
	Neutral	16	10.7	16.3	92.9
	Disagree	5	3.4	5.1	98.0
	Strongly disagree	2	1.3	2.0	100.0
	Total	98	65.8	100.0	

From The above table it is clear that out of 98 users of digital wallet, 66 (67.3%) users strongly agree, 10 (10.2%) users agree, 16 (16.3%) users are neutral, 3 (3.1%) users disagree, and 3 (3.1%) users strongly disagree that mobile data is must for the usage of digital wallet. This shows that majority have strongly agreed that mobile data is a must for the usage of digital wallet.

From the above table it is clear that out of 98 users of Digital wallet, 64 (65.3%) users strongly agree, 11 (11.2%) users agree, 16 (16.3%) users are neutral, 5 (5.1%) users disagree, and 2 (2%) users strongly disagree that companies ask irrelevant information to provide the access of digital wallet to the consumers. It is clear from the above table that majority of the people think that the wallet providing companies ask for irrelevant information to give access to digital wallet.



VI. FINDINGS

Table 6.3: Percentage of users who think company tracks information

Companies Track Information					
		Frequency	Percent	Valid Percent	Cumulative Percent
V A L I D	Strongly agree	42	28.2	42.9	42.9
	Agree	19	12.8	19.4	62.2
	Neutral	8	5.4	8.2	70.4
	Disagree	25	16.8	25.5	95.9
	Strongly disagree	4	2.7	4.1	100.0
	Total	98	65.8	100.0	

From the above table it is clear that out of 98 users of Digital wallet, 42 (42.9%) users strongly agree, 19 (19.4%) users agree, 8 (8.2%) users are neutral, 25 (25.5%) users disagree and 4 (4.1%) users strongly disagree that companies track information when we make payments through digital wallet. This shows that most of them think that the digital wallet providing companies track our personal information when we use make payment through digital wallet.

- Most of the respondents are using digital wallet as their payment options.
- Most of the users of digital wallet use Paytm for their payment option.
- The number of male users of digital wallet are more but the difference between the male and female users is very less.
- Maximum users of digital wallet belong to the age group of 18-22 years.
- Majority of the users belong to the urban area.
- Most of the respondents disagree there is no problem with safety and security for transactions.
- Most of the respondents agree that mobile data is one of the constraints to use digital wallet for payments
- Most of the respondents agree that the digital wallet companies ask irrelevant information of the customers
- Most of the respondents agree that the digital wallet companies won't reimburse money in time
- Most of the respondents agree that the digital wallet companies fail to track information of the customers payments

VII. CONCLUSION

Digital wallet in the present generation has gained a lot of importance. Digital wallet is used by most of the people in most parts of India irrespective of their sex, age, background, etc. As per the survey we have done, a questionnaire was sent to 175 people and we had 149 responders. Out of the 149 responders, 98 (65.7%) of them were users of digital wallet and 51 (34.3%) of them were non-users.

We also learned that most of the users of digital wallet preferred using Paytm, that is, 84 users (85.7%). Majority of the users were male (53.1%) and the rest were female. Some users

were also found to be from rural areas (35.7%) and the rest from urban areas (64.3%). But majority of the users disagree on the safety and security feature of digital wallet. They feel digital wallets are not that secure due to reasons like tracking of transactions. 42(42.8%) users disagreed on the security of digital wallet, 13 (13.3%) users strongly disagreed, 27 (27.5%) users strongly agreed, 4 (4.08%) users agreed and 12 (12.2%) users were neutral about the safety and security of digital wallet.

Most of them strongly agreed that digital wallet could not be used without internet connection or mobile data. The users were also concerned about the irrelevant information collected by digital wallet companies. Most the users also strongly agreed that companies might track their personal information and were insecure about this.

Out of the 51 non-users most of them did not use digital wallet because of security concerns (23%), some thought cash transactions were better (22%) and the others were not interested (22%). Some of them were unaware (13%) and the rest gave other different reasons.

We should always change according to the present trends and it is high time for all of us to start using digital wallet so that we are not left out.

From the study it is clear that most of the respondents are facing the problems like companies asking irrelevant information, compulsory mobile data, money reimburse and fails to track the information of the customer payment when customers have

problem. It is suggested that the digital wallet companies can provide an option of using apps without mobile data and have good tracking system until customer comes to know his payment is made and have fixed time for reimburse money.

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