A Study on Customers' Perception towards E-Wallets in Ahmedabad City

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This paper attempts to study and measure the customers' perception regarding E-wallets in Ahmedabad city. A survey has been used to collect primary data and 102 questionnaires were used in final analysis. SPSS and Microsoft Excel have been used to analyze and interpret the data. Graphical Representation, t-test, ANOVAs and chi-square analysis have been used.Study results show thatpeople are aware and willing about the online payments through E-wallets and there is a tremendous increase in growth rate after demonetization. Word to Mouth publicity have higher impact on information spread compare to other methods such as advertisement on social media, Magazine, TV and Government promotion. So companies and government both should create awareness by organising cashless society workshops/seminars. This study set out to enlarge understanding of how consumers evaluate E-wallets services in Ahmedabad city. This paper makes a valuable contribution given the fact that there are only a limited number of comprehensive studies dealing with the E-wallets services in Ahmedabad city.

Key Words : *Factors, Buying Behavior, Customer, Software Product, Software Market.*

1. Introduction

The payment industry has undergone a drastic shift from barter system to E- wallets. Customers globally are not very comfortable with transferring money through the internet, especially the older generations. Digital wallets give them the sense of security by acting as a wall between the bank and the vendor. Since digital wallets have a limit to the cash that they can hold, any loss—in the event of a security breach—is limited. Further, for all the stakeholders a wallet leaves a money trail that helps in solving disputes. At a time when hacking and data theft is becoming a clear risk, use of wallets will increase going forward[1]. Hence, current research is aimed to investigate the customers' perception regarding E-wallets in Ahmedabad city.

2. Theoretical framework : Types of e-wallets permitted in India

As per the Reserve Bank of India, there are three kinds of e-wallets in India: closed, semi-closed and open2.

Closed e-wallets : These are wallets issued by an entity for facilitating the purchase of goods and services from it. These instruments do not permit cash withdrawal or redemption. As these instruments do not facilitate payments and settlement for third party services, issue and operation of such wallets are not classified as payment systems. Hence, RBI approval is not required for issuing them. Eg. Cab services, e-commerce and mobile companies create e-wallets for making payments towards purchase of products from them /for usage of their services. They provide cash backs for payments made through this channel. This is one way of ensuring loyalty of their customers.

Semi-Closed e-wallets: These are wallets which can be used for purchase of goods and services, including financial services at a group of clearly identified merchant locations/ establishments which have a specific contract with the issuer to accept them. These wallets do not permit cash withdrawal or redemption by the holder.

Wallets for amounts upto Rs.10,000/- can be created under this category by accepting minimum details of the customer, provided the amount outstanding at any point of time does not exceed Rs. 10,000/- and the total value of reloads during any given month also does not exceed Rs. 10,000/-. Amount upto Rs.50,000/- can be created in wallets by accepting any 'officially valid document' which is compliant with anti-money laundering rules. Such wallets are non-reloadable in nature.

Amount upto Rs.1,00,000/- can be created by with full Know Your Client norms (KYC) and can be reloaded. Eg.AirTel Money, which is used for making payments for a range of services like money transfer from Airtel Money to another bank account or any other Airtel Money Wallet or paying select utility bills.

Open e-wallets: These are wallets which can be used for purchase of goods and services, including financial services like funds transfer at any card accepting merchant

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locations [point of sale (POS) terminals] and also permit cash withdrawal at ATMs / Banking Correspondents (BCs). However, cash withdrawal at POS is permitted only upto a limit of Rs.1000/- per day subject to the same conditions as applicable hitherto to debit cards (for cash withdrawal at POS). Eg. M-Pesa is an open wallet run by Vodafone in partnership with ICICI Bank. Axis Bank's e-Wallet Card', can used for making payments on sites that accept Visa cards, with a minimum limit of Rs 10, and a maximum limit of Rs 50,000, and a validity of 48 hours.

3. Review of literature

R.Varsha .Thulasiram(2016) found that 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.

Dr. Ramesh Sardar (2016) summarized that M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments. Over time when mobile payments will represent a significant part of retail sales, there should be inter-operability between different wallets. As most of respondents are concerned about the security of mobile payments, the security system should be strengthening.

Pawan Kalyani (2016) found that Digital wallets which are popular and associate to the online business company are more popular and those with the banks are doing fine, mobile companies' e-wallet is restricted to the mobile users. People are using a few services mostly for recharging the DTH and paying bills, Shopping etc. The awareness and practical Usability of the e-wallet is low, that should be increased by adding more value added services to it.

Vidyashree DV, Yamuna N, Nithya Shree G (2015) concluded that People are more aware about the online payments through mobile applications and there is a wider increase in growth rate. Pay tm and Pay u Money is giving 2 level security authentication to safeguard our payment details. The digital payment system has to take necessary steps to overcome delay in processing of payments.

Alan Cole, Scott Macfaddin, Chandranaraynswami, AlpnaTiwari (2009) concluded that much of work in this area has been concerned with use of mobile phones as a surrogate for a credit card or smart card. There is numerous application, each ending with one or two different user interface, each possibly requiring a separate login, falls far short of what we believe is required to make mobile phone a viable replacement for physical wallet. He commented that to accomplish this goal requires a unified architecture, able to accommodate an open set of content types. Standards will also be an important aspect of this work, enabling independently-developed services from multiple providers to interoperate with one another.

4. Research methodology

4.1 Need/importance of the study

The recent fearless decision of the Indian government to demonetize all the old currency notes of 500 and 1000rs has been a burning factor through the country.Due to these crises, almost 70% of the people's spending capacity has been reduced and almost it is very hard to pay their basic needs like medicines, grocery items and Vegetables. Now the new Indian scenario has made Indians think about the digital payment system.[3]So, the context of this decision it is extremely significant to study the consumers' perception towards-wallets.

4.2 Objectives of the study To Study the customers' awareness and satisfaction about E-Wallet services.

To know their security concerns about related services.

4.3 Sampling Design Descriptive research design and non- probability based convenience sampling method has been used to get the information about E-wallet.

4.4 Methods of Data Collection For conducting this research, a structured questionnaire was prepared and sample of 102 people was taken for analysis. The instrument poses a set of 23 questions designed to assess customers' awareness and satisfaction of service. A five-point Likert-type scale is used in this study, anchored by "strongly disagree" to "strongly agree". The data was collected from the respondents with the help of Quantitative method via a survey.

4.5 Research Tools SPSS and Microsoft Excel have been used to analyze and interpret the data. Multivariate techniques like ANOVAs, chi-square, t-test have been used to test the various hypotheses.

4.6 Hypotheses

There is no significant difference between respondent's occupation and satisfaction level of using E-Wallet services.

There is no significant difference among different age groups regarding their satisfaction on E-Wallet Services.

There is no significant difference between gender of the respondents and awareness of respondents about E-Wallet services.

There is no association between the gender of respondents and sources of awareness about government's initiative of promoting E-Wallet services.

4.7 Limitation & Scope of the Study

The study is confined to the Ahmadabad city of Gujarat. So, the conclusion derived from the research cannot be made applicable as it is for the other parts of the states or other states. Future researchers are advised to take diversified samples to arrive at generalisation. Future researchers can make state wise comparison with larger sample size. The research is just a small step in understanding the constructs of awareness and Satisfaction. The causal relationships between the two

have not been investigated, customer satisfaction and there effect on fewer complaints, Security aspects, word of mouth, and switching etc. can be explored by future researchers. Lot of scope exists for research into the safety and security issues of E-wallets for its effective adoption.

5. Analysis

Demographic profile

Characteristics	Dimensions	Frequency	Percent
Gender	Male	75	74
	Female	27	26
Age(in years)	below 18	3	3
	18-30	2	2
	18 – 30	71	69
	31 – 50	20	20
	above 51	6	6
Occupation	Student	38	37
	Employee	51	50
	Business	8	8
	Homemaker	5	5
Income (Rs. per annum)	less than 2,50,000	49	48
	2,50,000 - 5,00,000	18	18
	5,00,000 - 10,00,000	13	13
	above 10,00,000	2	2
	No Income	20	19

Table 1 Demographic Profile of Respondents

H1:There is no significant difference between respondent's occupation and satisfaction level of using E-Wallet services.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.864	3	.955	3.126	.029
Within Groups	29.930	98	.305		
Total	32.794	101			

Table 2 One way ANOVA

The significance value obtained is .029 which is smaller than 0.05, so we reject null hypothesis. Thus it can be concluded that there is significant difference among satisfaction level of using E-Wallet Services when classified by respondent's occupation.

H2: There is no significant difference among different age groups regarding their satisfaction on E-Wallet Services.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.285	3	.428	1.332	.268
Within Groups	31.509	98	.322		
Total	32.794	101			

Table 3 One way ANOVA

The significance value obtained is .268 which is not smaller than 0.05, so researcher is fail to reject null hypothesis. Thus it can be concluded that there is no significant difference among different age groups regarding their satisfaction on E-Wallet Services.

H3:There is no significant difference between gender of the respondents and awareness of respondents about E-Wallet services.

Awareness of E-wallets and Gender	Levine 's Test for Equality of Variances		t-test for Equality of Means		RESULT	ANALYSIS
	F	Sig	T	Sig		
Aware of E-wallets	0.302	0.584	0.430	0.665	0.665>0.05	H0 is not rejected

Table 4 Independent *T*-Test

It is interpreted from the above table that there is no significant difference in awareness of respondents about E-Wallet by when classified by their gender.

Info_source * Gender Cross Tabulation

			Male	Female	
Info_ source	Social Media	Count	22	4	26
		Expected Count	19.1	6.9	26.0
	Friends	Count	24	11	35
		Expected Count	25.7	9.3	35.0
	Government Promotions	Count	11	8	19
		Expected Count	14.0	5.0	19.0
	Magazine/ Television	Count	18	4	22
		Expected Count	16.2	5.8	22.0
Total		Count	75	27	102
		Expected Count	75.0	27.0	102.0

Table 5 Crosstabs Sources of awareness and gender

H4 : There is no association between the gender of respondents and sources of awareness about government's initiative of promoting E-Wallet services.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.247[a]	3	.155
Likelihood Ratio	5.271	3	.153
Linear-by-Linear Association	.207	1	.649
N of Valid Cases	102		

Table 6 Chi-square Test

Here, significant value is greater than 0.05 so, researcher is fails to reject null hypothesis means there is no association between the gender of respondents and sources of awareness about government's initiative of promoting E-Wallet services.

Findings

Out of total 102 respondents, majority of them (74%) were male. More than 50% respondents' age was between 18-30 years. Approx. 50% of respondents were employee followed by students (37%).

Nearly 50 % of respondent, such high awareness level of E-wallet among respondents shows that E-wallet service providers have successfully advertised the concept of E-Wallet among general public.

Respondents got the information regarding E-Wallet from Various sources. Word to Mouth publicity have higher impact on information spread compare to other methods such as advertisement on social media, Magazine, TV and Government promotion.

More than 50% of respondents use single E-Wallet service. This shows that respondents like to have single service provider for uniform experience to carry out digital transaction and payments.Majority of respondents have been using E-wallet for one year. The concept of E-wallet is not that much old, so adoption and use of E-wallet services is limited. Researcher can predict that it.

Out of total respondents 72% were using Paytm. It shows the penetration of Paytm wallet compare to other wallets. The second most wallet used by respondents is Freecharge. It can be can inferred that Paytm and Frecharge wallets have high adaptation level against their competitors.

Out of Total respondents 55% respondents use E-Wallet more than twice in a month, followed by twice in a month. This result shows that respondents are very much inclined to use the E-Wallet for various payments and transactions.

Majority of respondents(79%) were aware about government push for E-transacations. This shows that people areatleast have clarity on benefits of digital transactions over traditional payment system.Approx. 87% of total respondents use E-Wallet for mobile/DTH recharge purpose. The second most option preferred by users is Utility and bill payment. This shows that mobile wallets have successfully attractedthe consumers by different cashback offers and discount.

Out of total respondents 66% respondents were satisfied with their E-wallet service, followed by 24% users which are highly satisfied with E-wallet services. 10% of users have neutral opinion about their satisfaction level.

Majority of respondents(92%) agreed to prefer E-Wallet in place of conventional payment system. This suggests that in future adaptation level among people will be considerably high.

Data analysis suggests that respondents are concerned about all five criteria which are mentioned above. Cashback offers are the most considered while doing transactions/payment over E-wallet.

More than 50% of respondents agreed that they definitely consider the all security criteria such as-leak of confidential info, cyber crime, Malware, Phishing etc. This shows that E-wallet companies must have to work upon security features to attract and retain the users on their platform for longer time. Respondents suggested creating more secure service so that they can transact over E-wallet safely. More than 50% of users wanted to have good offers and faster process on E-wallets.

Respondents agreed that E-wallet is attractive choice for payment over traditional method and it support as of now to conventional payment during the transition phase. As per the response near 50% of response were in favor of having E-wallets which suggests preference of E-wallet over other E-payment modes.

6. Recommendations/suggestions

Word to Mouth publicity have higher impact on information spread compare to other methods such as advertisement on social media, Magazine, TV and Government promotion. So companies and government both should create awareness by organising cashless society workshops/seminars at school, college, workplace etc. Government can makes it mandatory for all schools/colleges/institutes to have atleast one program in one academic year. E-Wallet are used for mobile/DTH recharge purpose. The second most option preferred by users is online shopping. Authority must make fees payment and filing of IT returns compulsorily with E-wallets only to increase the growth rate of the same.

7. Conclusion

Majority of respondents (92%) agreed to prefer E-Wallet in place of conventional payment clearly illustrates that the adoption image of E- wallet among consumers in Ahmedabad has already crossed the beginning stage, to be successful in E-wallet market now depends heavily on the marketing strategies of E- wallet companies as well as the financial policy makers.

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