

A STUDY ON “CONSUMER PREFERENCE TOWARDS E -WALLETS IN VADODARA”

Under the Guidance of : Prof. Vidhya Lakshmi

Parul Institute of Management & Research

Parul University

P.O. Limda, Waghodia, Vadodara- 391760

Author:

Dave Paraskumar K.

Student,

MBA-Marketing (4TH Semester)

Faculty of Management Studies,

Parul University, Vadodara

Rishiraj Jadeja

Student,

MBA-Marketing(4THSemester)

Faculty of Management Studies,

Parul University, Vadodara

ABSTRACT

The study was accomplished to explore consumer awareness, perceptions and willingness to use digital wallets. Specifically, the study explored awareness, usage, likelihood of using smart phones for completing the monetary transactions. With the increased penetration of internet connectivity and smart phones have led to an increase in the number of digital wallet users. So here we are going to do research among these 3 major companies that is phone pay, google pay and Paytm. Here we are going to work on with the primary data. The research design which we are going to use over here will be descriptive type and we are going to collect the data by making a questionnaire and we are going to circulate among the people of Vadodara region and the sampling technique which we have used over here is the random sampling i.e., Graphical method. his is how we are going to do our research analysis.

KEYWORDS

E-Wallets, Online, Transaction, Cash, Consumer Awareness

INTRODUCTION

The world of online transactions is constantly changing and expanding, with more and more people using mobile devices to make purchases of various items, such as electronics, books, and household goods. As a result, online transaction providers are dealing with an increasing number of large-scale transactions for everyday purchases like recharges and other goods, which can be costly to handle in terms of operational expenses.

Online transaction providers incur significant costs to facilitate transactions, even for a high volume of small transactions from a large number of users. This is due to the expenses involved in implementing authentication mechanisms for secure online transactions. As a result, these providers have limited opportunities for profit, and even the e-commerce sector is not generating significant revenue.

As a result, the operational expenses associated with providing online payment transactions to users continue to rise, despite the relatively low fees charged to customers (typically 3-5 Rs. per transaction). These expenses include the cost of maintaining the entire infrastructure needed to support frequent and diverse online financial transactions, as well as the cost of handling data for various banks and credit/debit card providers and their customers. All of this leaves very little margin for companies that provide transaction processing and authentication services for online transactions.

The concept of a digital wallet has emerged as a solution to simplify the infrastructure of online transactions and to make it easier for both individuals and businesses to use online payment services. The main objective of digital wallets is to streamline the process of making online payments and to make it more accessible to people. Banks are also promoting digital wallets as a means to better understand their customers and to market their services through mobile devices.

Banks are endorsing the use of digital wallets as a means of gaining a deeper understanding of their customers and marketing their programs through mobile platforms.

There is now a greater focus on maintaining the privacy of customers by encrypting their information, which allows businesses to only access details of the products they purchase and their prices.

As a result, customer privacy and security are top priorities. Overall, the effectiveness of digital wallets will depend on the level of acceptance from customers, and their willingness to use this new method of payment.

DEFINITION OF E - WALLET

An Electronic Wallet, also referred to as an e-wallet, is a payment method that enables consumers to make electronic transactions for the purchase of goods and services over the internet or through mobile phone applications.

It provides a fast and secure way to conduct electronic business transactions, and is a technology that facilitates cashless transactions, providing consumers with an easy and improved payment experience.

In essence, an e-wallet or mobile wallet is a digital version of a physical wallet that offers additional features, allowing for quick online bill payment without the need for cash or credit/debit cards every time.

LITERATURE REVIEW

The study done by **Irfan, M., Jain, V., & Dhimmarr, M. P. (2020)** shows customer satisfaction level towards e-banking services and there are five factors that help in enriching the e-banking experience and have the potential to extend the adoption of e-banking which are reliability, helpful, awareness, difficulty and availability. The result of the study also exposed that the younger generation were using e-banking services are more as compared to older generation, due to new innovation in information technology and their adoption level is high in e-banking. According to

CA Gajjar, K. (2019) establishing the cashless economy, it's beneficial in the present system. It's often said that cashless economy is that the need of the hour. It has become not only important but necessary for the country to go cashless for the systematic development in the economy. Parity between cash and digital money is perhaps impossible to realize, but there are means of getting closer thereto by creating an incentive structure for that switch, and that involves making cash more expensive than cashless, and better enforcement of digital economy

Nandhini, M., & Girija, K., (2019) in their study show that the customer perceptions about the e-wallets are good and they accept that the e-wallet is an alternative, attractive, supportive and necessary one of digital era. But there are many services which are already going on in the international market and people are using it like square wallet it gives card scanner to scan any credit / debit card to make payment through mobile device, are still to come in India. The awareness and practical usability of the E-wallet is low, so its recommended that it should be increased by adding more value-added services.

A study done by **Singh (2017)** stated that there was significant difference between education of consumers and adoption of digital payment. The perception of consumers for digital payment had positive and significant effect on adoption of digital payment among consumers.

RESEARCH METHODOLOGY

Qualitative and Quantitative research aim to explore the relationship between employee productivity and mental health how it is related to work-life balance and how it impacts employee productivity and mental health. The major focus of the design is to collect primary data on the employee who is working in companies. The data collection is both primary and secondary, which was obtained from qualitative research papers and the internet. The evaluation of the data is done to understand the relationship between work-life balance and its

impact on employee productivity and mental health, which can apply to provide better work-life balance and can help companies to perform better in the future.

OBJECTIVES OF STUDY

1. To study opinion and preference of consumers towards e-wallets as compared to other modes.
2. To study the various factors influencing and deterring the use of e-wallets among consumers.
3. To know the security issues and concerns among consumers with regards to e-wallets.
4. To understand the reason behind the non-usage of e-wallet amongst a group of population.

LIMITATION OF THE STUDY

The study was restricted to the geographical limits of Vadodara and e-wallet service is spread all over in India. Therefore, other cities responses are not evaluated

- The sample size used for the study is small. So, the results cannot be taken as universal
- Consumer's perception changes with advancement in technology.
- People above the age group of 50 are not well educated about e-wallets

DATA ANALYSIS

Research Design: Descriptive

Research Tool: Questionnaire

Sample Size: 150

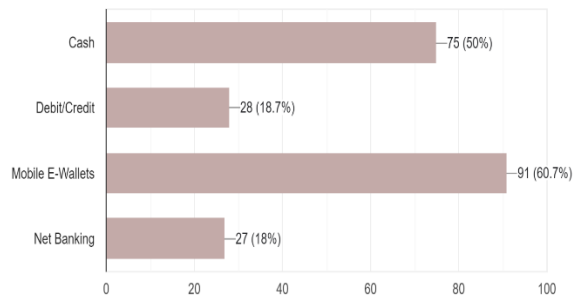
Sampling Technique: Random sampling
Analytical Tool: Graphical Method

RESULT

Interpretation: Multiple-choice questions, or MCQs are the most commonly used method for measuring performance appraisal. The questions are very specific. The participant is given a scale on which he/she can rate himself based on the value, level of competency, and convenience at work. This is the result of a survey questionnaire on performance appraisal which is conducted by us and type of responses we get

What mode of payment do you prefer the most while carrying out your daily transactions?

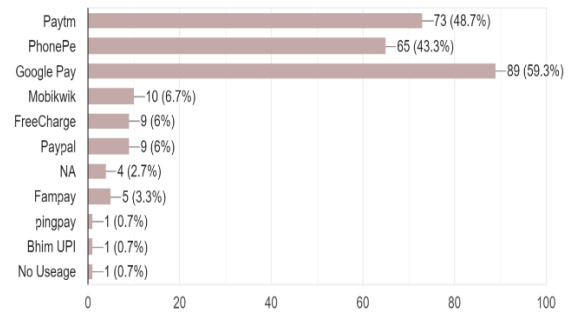
150 responses



It can be seen from the above-mentioned data that almost 61% of the population prefer mobile e-wallets for their routine transactions. whereas, only 18% of the population prefer to use Net banking for their daily transactions.

If yes, Which of the following E-Wallet you prefer using the most?

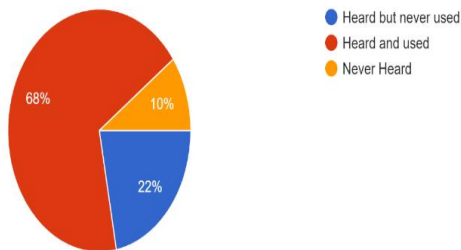
150 responses



Those who are using smart phones for monetary transactions; using Google Pay, Paytm and PhonePe the most.

Are you aware of any E-Wallet payment gateway?

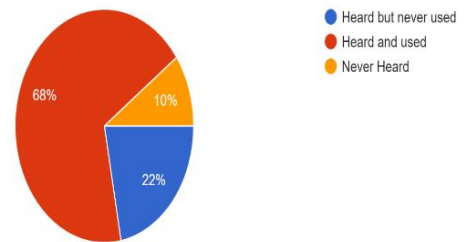
150 responses



It can be seen that almost 68% of the population have heard about E-Wallets and they use E-Wallets in their daily transactions. But still there are people who have never heard about E-Wallets before.

Are you aware of any E-Wallet payment gateway?

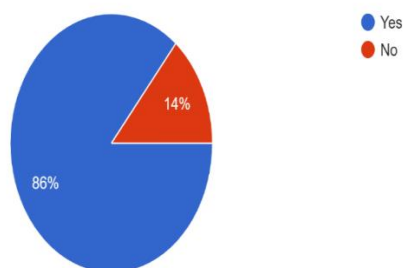
150 responses



According to the diagram 68 % of the people have heard and used the e-wallet payment gateway, 22% have heard but never used and 10% never heard about e-wallet payment gateway.

Do you use your smartphone for monetary transactions?

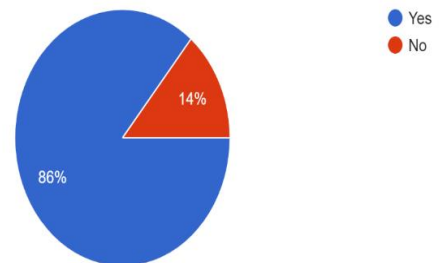
150 responses



According to the survey results; it can be seen that most of the respondents are using smart phones for monetary transactions.

Do you use your smartphone for monetary transactions?

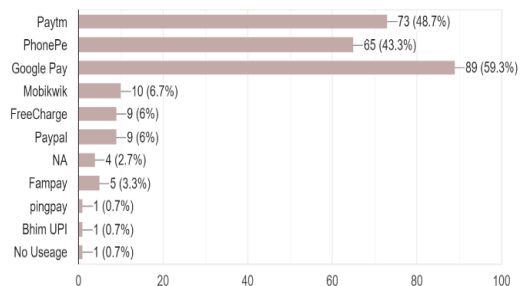
150 responses



According to the diagram majority of the people are using smartphone for monetary transactions.

If yes, Which of the following E-Wallet you prefer using the most?

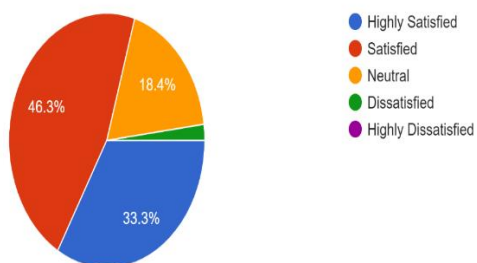
150 responses



According to the graph 59.3% people are using google pay, 48.7% people are using paytm, 43.3% people are using phone pe and 6.7% people are using mobikwik.

How satisfied are you with the services of your current E-Wallet?

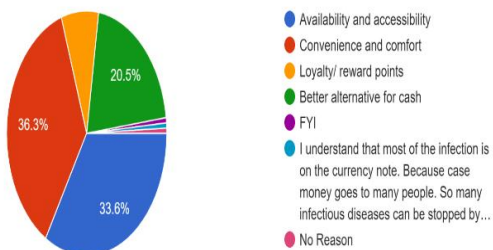
147 responses



According to the chart 46.3% people are satisfied with the service of e-wallet, 33.3% people are highly satisfied and 18.4% people are dissatisfied with service of e-wallet.

What may be the reason for you to start using Electronic or Mobile E-Wallets?

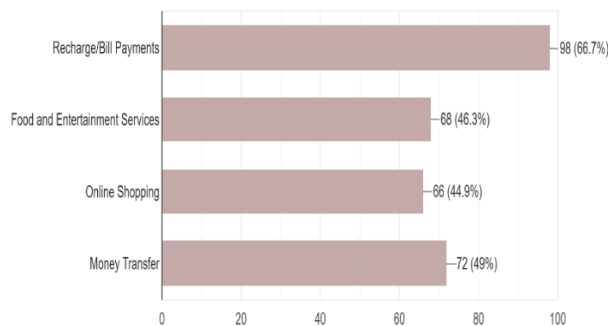
146 responses



As shown in the chart 36.3% people started using e-wallet for convenience and comfort, 33.6% people started using e-wallet for availability and accessibility and 20.5% people started using e-wallet for better alternative for cash.

For which of the following transactions do you prefer using E-Wallets?

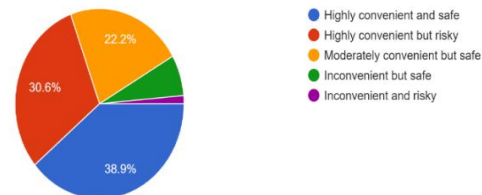
147 responses



As shown in graph 66.7% people prefer e-wallet for recharge and bill payments, 49% people for money transfer, 46.3% people for food and entertainment services and 44.9% people prefer e-wallet for online shopping.

Rate Safety vs Convenience as a factor for adopting E-Wallet

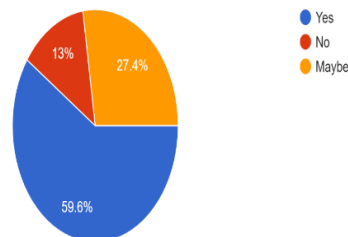
144 responses



As shown in the chart 39.9% people adopted e-wallet for highly convenient and safety, 30.6% people consider e-wallet highly convenient but risky and 22.2% people considers e-wallet moderately convenient but safe.

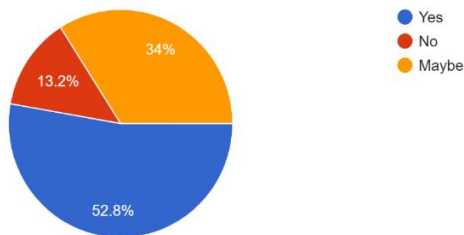
Do you think the use of E-Wallet has reduce frequency of traditional cash transaction in your life?

146 responses



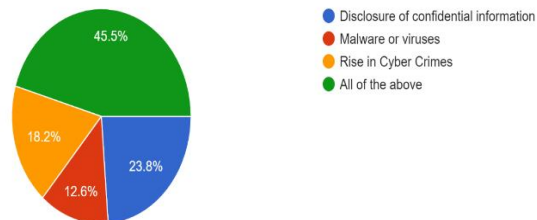
As shown in the chart 59.6% people think that use of e-wallet has reduce the frequency of cash transactions, 13% people think it has not reduced the frequency of cash transactions.

Do you think the use of E-Wallet will lead to Cashless Economy in future?
144 responses



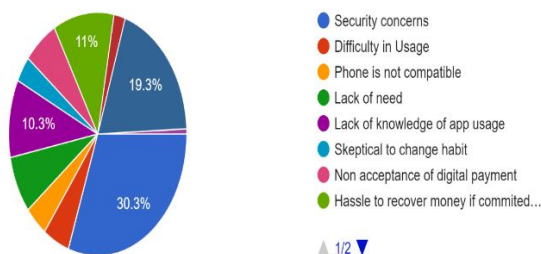
As shown in the chart 52.8% people think that use of e-wallet will lead to cashless economy in future, 13.2% people thinks that it will not lead to cashless economy.

What security issues concerns use the most while using E-Wallets?
143 responses



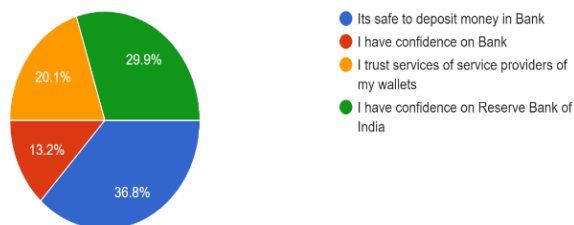
As shown in figure 23.8% people have fear of disclosure of confidential information while using e-wallet, 18.2% people have fear of rise in cybercrimes, 12.6% people have fear of malware and viruses and 45.5% people have all the above security issues or concerns while using the e-wallet.

What may be the reason for not using an Electronic or Mobile Wallets?
145 responses



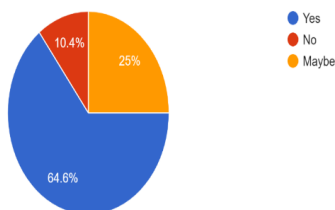
As shown in the chart 30.3% people think that the reason for not using e-wallet because of skeptical to change the habit, 19.3% people think that security concerns is the reason for not using e-wallet, 11% people that it is hassle for recovering the money and 10.3% people think lack of knowledge of app usage is the reason for not using e-wallet.

Choose your best responses to the following statements
144 responses



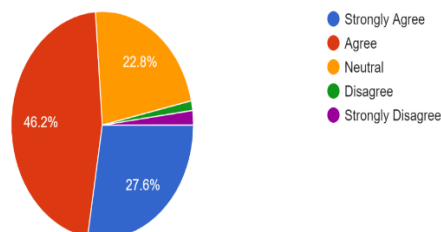
As shown in the figure 36.8% people thinks that it is safe to deposit money in bank, 29.9% people have confidence on Reserve Bank of India, 20.1% people trust the service providers of e-wallet and 13.2% people have confidence in the bank.

The above problems are addressed and solved; Would you consider using E-Wallets?
144 responses



As shown in the figure if the above problems are solved 64.6% people can consider using e-wallet, 10.4% people will not consider using e wallet.

"I feel satisfied with the services provided by the service providers of E-Wallets in terms of security"
145 responses



As shown in the figure 46.2% are agree with the above statement, 27.6% people are strongly agree and 22.8% people are neutral with the statement.

CONCLUSION

The study was accomplished to explore consumer awareness, perceptions and willingness to use digital wallets. Specifically, the study explored awareness, usage, likelihood of using smart phones for completing the monetary transactions.

With the increased penetration of internet connectivity and smart phones has led to an increase in the number of digital wallet users.

Digital-wallet is getting more and more trendier among the consumers. As per the findings of the study, digital-wallet is getting popularity among the young lots like students and employees.

The study witnessed that Google Pay is leading among the other wallet providers.

Whenever a user is making a payment via digital-wallets, the respondents are affected from various assorted factors.

One of the biggest obstacles is security issues, thanks to which the users get anxious about his or her credentials and confidential information which can get disclosed.

Therefore, the digital wallet providers need to understand and meet the users trust and expectations.

Digital-wallets are growing in India because the consumers are relying upon the digital life style to form things convenient and faster and the consumers are embracing digital-wallet with open Arms.

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FUTURE SCOPES

Based on customers' perceptions of e-wallets, there are several potential future scopes for e-wallet providers to consider.

Firstly, there is a need for e-wallet providers to continue to improve the user experience and make e-wallets more user-friendly and intuitive. This could involve developing new features and functionalities that meet the evolving needs and preferences of customers.

Secondly, e-wallet providers need to address concerns around transaction fees, technical issues, and privacy and security. Providers could explore alternative revenue models that reduce or eliminate transaction fees and improve the overall security and privacy of their platforms.

Thirdly, there is a growing demand for interoperability between e-wallets, which would enable customers to use multiple e-wallets for different purposes and make payments across different platforms. E-wallet providers could work together to establish common standards and protocols for interoperability.

Lastly, there is a need to increase awareness and promote the benefits of e-wallets to encourage more customers to adopt and use e-wallets. E-wallet providers could explore various marketing and promotional strategies to educate customers on the advantages of e-wallets and the convenience they offer.