
A STUDY ON CONSUMER'S AWARENESS ABOUT DIGITAL WALLETS IN URBAN BENGALURU

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Abstract:

Digital transactions take place all over the world and India is no exception. A lot of studies have vouched for the fact that a good payment system will fasten the liquidity flow of an economy. In the world of digitization, transactions using technology are the best way to give a better service to consumers. Nowadays, various governments are encouraging people to go cashless by using digital wallets. Government initiatives like Digital India are acting as a medium which leads to increased growth in use of digital payment. The study is both quantitative and qualitative in nature and helps in understanding consumers 'awareness with respect to digital payments and reasons for them to make payment through digital wallet. It is essential for marketers to know about the awareness of consumers towards cashless techniques of transactions and this study can help them in this. With the help of literature reviews, the study tries to analyze the concept of digital transactions. Using a structured questionnaire primary data was collected from 127 respondents. Anova test and different types of charts were used to find out the awareness, factors that affects consumer preference and security concerns of the customers. The findings of the study reveal that most of the customers are aware of digital wallets and they are accepted in India. The study also finds that E-Wallets are being adopted by consumers, as they are easy to use and help in saving the time of the investors.

Keywords: *Consumer awareness, digital payments, consumer perception, Security and Safety of transactions, E- wallet.*

Introduction:

In recent times, smartphones have become an important part of our life. The count of smartphone users is rising day by day due to the availability of newer and cheaper versions of smartphones. According to a study, the potential for the smartphone market in India has exceeded the US market with 220 million active users. Innovative and newer services are being added every now and then, to exploit the maximum potential of the modern smartphone. These days, smartphones are not just used as mere communication devices, rather they are now being used as a tool for socializing, internet access, entertainment and even payment. Now mobile phones are being used as a means for making money transactions or payment through applications that are installed in the phone. However, along with the payments, people also can store coupons, bills, receipts, business cards, etc. in their smartphones.

Due to the invention of E-wallets or digital wallets in smartphones, it has changed the consumer's way of payment for various goods and services. Digital payments are gradually becoming a part

of life and according to many economists and scholars; in the future it has the potential to be the most preferred type of payment mechanism.

A digital wallet is one in which one can make payments through an electronic medium rather than a traditional or physical wallet. When one uses a digital wallet on a smartphone, it is referred to as a mobile wallet. Its mechanism is the same as a credit or debit card. We are required to link the individual's bank account with the E-wallet to make payments. Digital wallet is a kind of pre-paid account through which a user can store his/her money for any future online transaction.

Mechanism of Payment App:

Money has to be deposited in the payment app before making any transaction or an individual's bank account should be linked to the digital wallet to conduct the financial transaction. Payment apps have both the information and software components in it. An important issue with respect to these payment apps is the safe and secure electronic payment system. The software provides security and encryption for conducting the actual transaction as well as for personal information.

Types of Digital Wallet:

There are three types of digital wallets and they are mentioned below:

- **Closed wallet:** This is one type of wallet in which users transact only with the issuer of the wallet or other users of the same digital wallet. This type of wallet can be created by any company that deals with products and services. For example, Amazon money, Ola money, etc.
- **Semi-Closed Wallets:** In this type of wallets the user is allowed to make transactions with listed stores or merchants by making online as well as offline payments. Here, it is required for a merchant to sign an onboarding agreement with the issuer of the wallet. Paytm Wallet is a classic example for semi-closed wallet.
- **Open Wallets:** This is one of the types of digital wallet, in which banks or institutes partnered with another major bank can issue an open wallet. Special benefits offered in open wallet is being able to withdraw money from ATMs.

1. Literature of Review

Shamsher Singh (2017), through his study has made an attempt to study the customer perception regarding digital payment. The study found that all demographic factor apart from education does not have major impact on the adoption of the digital payment. It was only education level of the respondents where signification difference is perceived by the respondents. It shows that adoption of digital payment is highly influenced by the education level of the customer. Majority of the customers agree to the fact that mobile wallet/digital payment provides advantage to individual for purchase of products, helpful in buying products as compared to traditional methods, they offer a wide range of banking services and payment options. They also agree that usage of mobile wallet is helpful and that they must start trusting the service providers.

Akhila Pai (2018) through their study say that even though the era of digitalization began long years ago, it took growth pace recently. There may be several reasons for it like, lack of awareness and knowledge among people, fear of making online payment, security related issues etc. The E-Payment system can only be boosted when the they create awareness in the minds of the people.

But in the recent scenario, India has witnessed a substantial rise in the number of digital wallets users and is slowly proceeding towards a cashless economy. Digital Wallets have made our buying experience easier by providing a convenient money transfer platform. The consumer perception towards digital payment has a positive and major impact on adoption of digital wallets. Their study has made an attempt to evaluate the consumer perception towards Digital Wallets. The study also infers that e-wallets are getting popularity among the young generations such as students and employees. The study also witnessed that Paytm is preferred the most among the other wallet providers.

Deepak, et al (2019), have examined the factors that impact consumer's attitude and their intentions to use mobile wallets by using a sample representative of Indian consumers. The researcher also examines the students and working professional perception towards digital mobile wallets from urban and rural India. They have collected 744 responses through a nationwide primary survey. The study concludes that the consumer attitudes and intention to adopt mobile wallets are influenced by factors such as trust, perceived usefulness, perceived ease of use, security, lifestyle compatibility and facilitating conditions.

Hitesh, et al (2020), have focused on knowing how customers feel about perceived trust, perceived service quality, perceived contentment and perceived advantages. The researcher conducted a cross-sectional study in Ahmedabad and gathered information from respondents who used the E-wallet applications. A structured questionnaire was used and targeted at those clusters where E-wallet services were utilized. The study focuses on categorical variables such as age, gender, occupation, education, income, and certification, as well as various questions about factors influencing E-wallet adoption. The researcher concluded by stating that E-wallets are becoming a popular method of online payment. E-Wallets are being adopted by consumers, as they are convenient and easy to use.

Vinayamoorthi, et al (2020) say that the impact of technology in human life playing an important role in the present scenario in this world. People are willing to adopt technological things for the better convenience and also to simplify their life. This study identifies how the people are adopting mobile wallet payment systems and the being aware of benefits of mobile wallet payments; it also reveals how the customers are comfortable with digital wallets, preferences, and reasons for using mobile wallet payment systems.

Ranjith, et al (2021), focuses on understanding customer's perception of online and digital payments, as well as the security of these transactions. It's crucial for marketers to understand how customers feel about cashless transactions, and this study can assist with that. The study is qualitative and exploratory in nature. The findings suggest that India accepts digital transactions, and that usage is increasing year after year. The research examines the benefits and drawbacks that customers encounter while using digital payment.

Siby K M (2021), has analyzed that during the novel coronavirus pandemic, the digitalization drive in payment systems has made amazing progress since demonetization. The researcher has collected primary data from 107 people in the Ernakulum region of Kerala to analyze how they

perceive digital payment methods based on demographic factors including age, gender, education, employment and occupation. The study concludes that the people tend to utilize digital payment methods in times of Covid epidemic, regardless of age, gender, education, monthly income or occupation. The researcher has also explained that in the midst of the Covid epidemic, Kerala's strong digital literacy, coupled with widespread cell phone penetration and simple Internet access, has played a crucial part in the digital revolution of payment methods.

Anju, et al (2021), states that in order to inspect the concerns of customers while adopting mobile wallets, it is vital to understand the customer's perception while using mobile wallets. The study explores the customer's perception towards security of mobile wallets including i.e. trust, safety, financial security, risk, privacy, data integrity, security breach, and governance wallet and examines their impact on attitude towards use. The study has also investigated the difference in the opinion of the consumers on the basis of age. The findings suggest that the security concerns and consumer attitudes about mobile wallet usage differ depending on the respondents age. And also found that the consumers of all ages are equally worried about security concerns.

Kartikey, et al (2021), states that a lot of people use smart phones as means of mobile wallet and which is very convenient to them. People prefer to use digital payment because they feel it is a secured medium to pay money. Nowadays people are very active on social media, hence lot of them would have heard about mobile payments through these mediums. People prefer mobile payment as their multiple digital wallet to complete payment. The study also concludes that people are willing to adopt new methods of payment rather than sticking on to old and traditional method of payment.

Hegde, et al (2021), are implying that the usage of smartphones and the internet are causing a change in the Indian economy, allowing people to access a wide range of services. The bounds of smartphone operations are equally stretched in rural and urban locations. Payment applications are the result of this change, and they are incredibly user-friendly. These days, people are preoccupied with their own jobs, and nobody is free to leave their office hours, allowing app developers to give a variety of services where customers may sit in one area and spend a few seconds paying home and other service payments. Payment app features have made it possible for users to take use of payment app services. Payment apps are becoming more important in the present economic climate as our economy grows. The sample size is based on 50 responses from payment app users in the Karnataka districts of Uttara Kannada and Udupi. To arrive at a conclusion for the current study, they have used X2 approach, mean, and standard deviation are employed to examine the data. The study's main finding is that respondents are satisfied with the service provided by payment apps regardless of their geographic location. Their findings of this analysis suggests that the payment applications should prioritize the safety and security of consumers' wallets.

2. Statement of the problem:

Digital Wallets has now emerged as one of the major mode of payment as it provides variety of services to its users. But it needs a lot of capital for investing in technology enhancement, modification of process, providing services to customers etc. Due to certain government initiatives, many companies in India have now emerged as digital payment service providers and we can

observe a shift from traditional payments to cashless payments. The study is conducted to know the awareness of customers towards digital wallets. At present, society is getting aware and willing to accept digital wallets and go cashless. This study has been done from the view point of awareness and adaption of consumers with regards to digital wallets. This study finds out the percentage of usage and reasons of customers to use different digital wallets. The study also identifies various securities concerns faced by the consumer and offers suitable suggestions.

3. Objectives of the study:

1. To analyze customer's awareness towards digital wallets.
2. To identify the purpose of consumers to adopt digital wallets
3. To understand the security concerns of consumer with respect to digital payment

4. Hypothesis of study:

H0: There is no significant relationship between education qualification and security concerns of the customers with regards to digital payment.

H1: There is significant relationship between education qualification and security concerns of the customers with regards to digital payment.

5. Scope of the study:

In today's world, due to globalization and enhancement in technology and communication there is an emergence of digital wallets. However, many people aren't aware or they aren't willing to make payments through digital wallets. Hence, this study is conducted to have an insight on the customer's awareness and reasons for customers to adopt digital wallets in Urban Bengaluru.

6. Limitations of study:

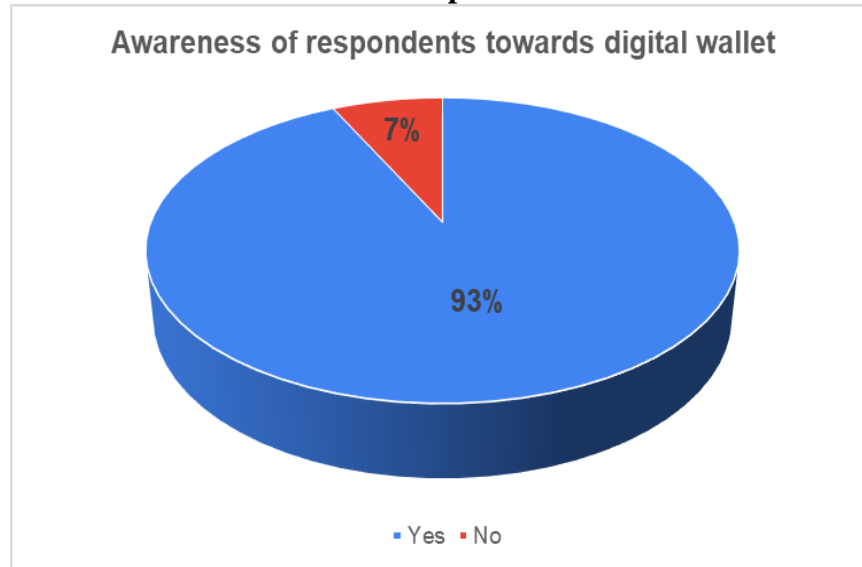
- The study is limited to only respondents from Bengaluru city.
- The study also has a limitation of time, place and resources.

7. Research Methodology:

The study is exploratory in nature. It uses primary data, literature reviews as well as secondary data. The data required for our study was collected through a structured questionnaire. Convenient sampling method has been used to collect data from the respondents in Bengaluru. The major part of our analysis is based upon the percentage analysis. The study also uses ANOVA to find relationship between education qualification and security concerns of the customers in relation to digital payments.

8. Analysis and Interpretation:

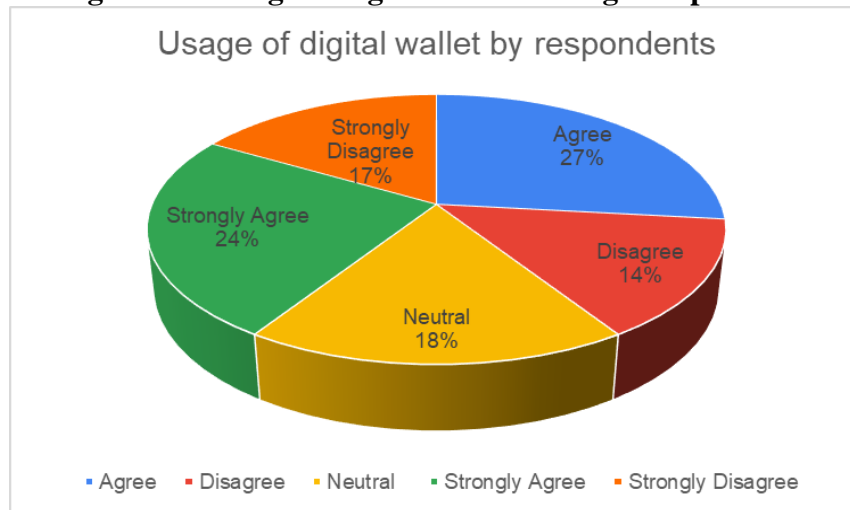
Figure 8.1: Comparison between Awareness and Usage of digital wallets among the respondents



Source: Primary data

From the survey, it can be observed that 93% of respondents are aware about digital wallets and 7% of respondents are not aware about it.

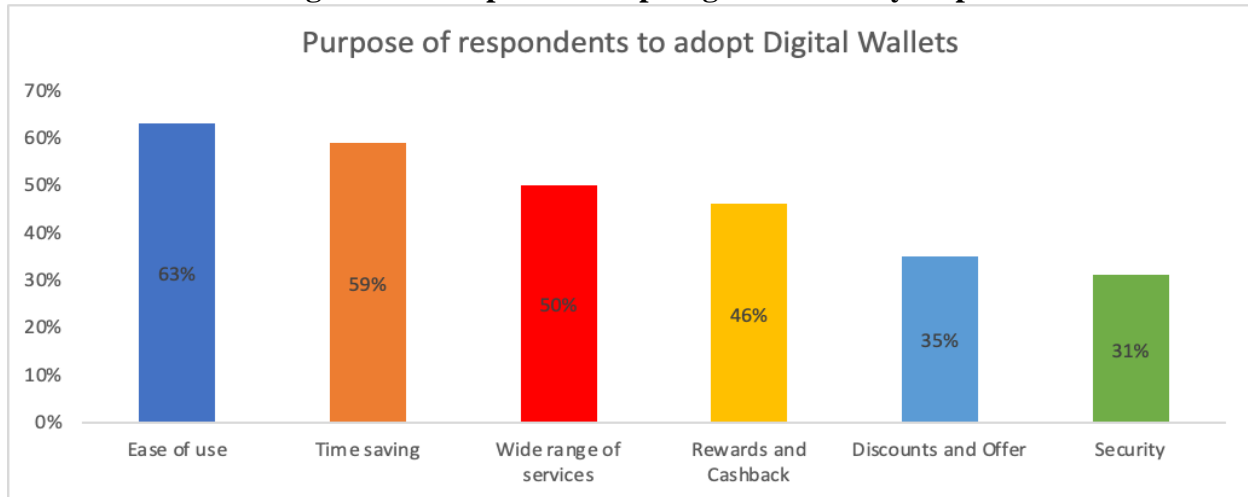
Figure 8.2: Usage of digital wallet amongst respondents



Source: primary data

From the above data, we can observe that 93% of our respondents are aware about digital wallets available to them. However, among them around 31% of respondents (strongly disagree 17% and disagree 14%) are unwilling to use them for their financial transactions in spite of being aware of it.

Figure 8.3: Purpose to adopt digital wallets by respondents



Source: Primary data

- **Ease of use and Time saving** are the top most priority of our respondents while using the digital wallets. Through the above graph we observe that 63% of our respondents make payment through digital wallets because it is easy to use. And 59% of our respondents consider time saving as an important reason for the adoption of digital wallet.
- Around 50% of our respondents are influenced by the **wide range of services** provided by the digital wallets and hence it is considered as one of the important reasons for them to opt for digital wallets.
- 46% of our respondents use E- wallets to avail the benefit of **rewards and cashback**.
- Our respondents have given almost the same weightage to factors like **discounts and offers** and **securities**. Around 35% of the respondents are looking for the discounts and offers while using the digital wallets and 31% of the respondents consider security concerns as an important reason while making payments through digital wallets.

9. Testing of the Hypothesis

H0: There is no significant relationship between education qualification and security concerns of the customers with regards to digital payment.

ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	30.692	4	7.673	1.441	.225
Within Groups	649.670	122	5.325		
Total	680.362	126			

Source: Primary data

Interpretation: Education qualification and the security concerns of the customers has a p-value of .225. Therefore, the null hypotheses is accepted as the p-value is more than 0.05 so there is no

significant relationship between educational qualification of the customer and security concerns of the customers with regards to digital payment.

10. Findings

- The respondent's awareness of Digital Wallet payment services is high.
- There are multiple purposes/reasons that a user considers while using the digital wallets. These reasons might differ from one user to another.
- Through our study we can observe that people are hesitant to adopt digital wallets due to security concerns. Wide range of services such as facilities to pay bills, book movie tickets or bus/flight tickets, etc. through digital wallets are drawing the attention of consumers.
- Through this study we can find that the respondents majorly go for digital payments because they are easy to use, they are time saving and also provide wide range of services such as completing the Money transfer, followed by Mobile recharge and Utility & bill payments.

11. Suggestions:

- If the security concerns are addressed and if more awareness is created, then many individuals might be willing to adapt to digital payments especially the aged ones.
- If the government or the telecom service providers invests more on reach of internet and technology, then the users of digital wallets may increase.
- Banking firms should encourage more usage of digital wallets.
- If digital wallets can add any new features for the specially disabled, it could be helpful for those categories of people to adapt to cashless payments which would eventually lead to the increase of users of digital wallets.

12. Conclusion

Through the study we can conclude that payments through digital wallets are increasing rapidly. The customer's mind-set has eventually moved from purchasing the product or services on a cash basis to purchasing through digital wallets. The use of digital wallets is getting popular among the young generation as they lack patience and payment made through digital apps helps them save their time as well as it is very convenient to them. We can also conclude from the survey that when a consumer decides to purchase through digital wallets, they are affected by multiple factors which influence their decision while using the E-wallet, out of which safety and security are of the major concern.

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